



Daily Report

China

FBIS-CHI-91-044
Wednesday
6 March 1991

Daily Report

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FBIS-CHI-91-044

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Soviet Union

Qiao Shi Holds Talks With CPSU's Ivashko

HK0603012891 Beijing RENMIN RIBAO in Chinese
28 Feb 91 p 1

[Report: "Qiao Shi Holds Talks With CPSU Deputy General Secretary Ivashko"]

[Text] Beijing, 27 Feb (RENMIN RIBAO)—Qiao Shi, a member of the Political Bureau Standing Committee of the CPC Central Committee, held talks with V.A. Ivashko, deputy general secretary of the CPSU Central Committee, at the Diaoyutai State Guesthouse this morning.

Qiao Shi briefed his guest on the present situation of reform and opening up in China. He stressed: Building socialism with Chinese characteristics is essentially to integrate the fundamental principles of Marxism with the specific practice in China. Qiao Shi said: Our people throughout the country wholeheartedly support the party's current guiding principles and policies. As long as the entire party and people of various nationalities throughout the country unite as one and maintain stability and unity as they protect their own eyes, we can overcome difficulties on road of advance and will definitely achieve the objective of modernizations in our country.

Ivashko briefed Qiao on the present situation in the Soviet Union and the guiding principles and policies of the CPSU. He said: The present reform in the Soviet Union is an objective and unavoidable process. The CPSU will continue to adhere to its socialist choice, the path of the October Revolution, the thought of Lenin, and the party's important political leadership and will stand for a restructured union. Ivashko said: A long-standing and profound friendship has existed between the Soviet Union and China. Relations between the two countries have developed more rapidly in the past two years, which is in accord with the fundamental interests of the two peoples.

Qiao Shi believed that relations between the two countries and the two parties will continue to develop on the basis of the four principles governing party-to-party relations, and the five principles for peaceful coexistence.

On behalf of the CPSU Central Committee and its Control Commission, Ivashko invited Qiao Shi to visit the Soviet Union. Qiao expressed his thanks, and accepted it in principle. Present at the meeting were Zhu Liang, head of the International Liaison Department of the CPC Central Committee, and Solovyev, Soviet ambassador to China, as well as others.

Ivashko Remarks on Visit

HK0603003091 Beijing RENMIN RIBAO in Chinese
3 Mar 91 p 4

[XINHUA report by reporters Zhou Cipu (0719 1964 2613) and Yang Zidi (2799 1311 6611): "CPSU Deputy

General Secretary Ivashko Says His Visit to China Is of Great Significance to the CPSU and the CPC"]

[Text] Beijing, 2 Mar (XINHUA)—Deputy General Secretary of the CPSU Central Committee Vladimir Antonovich Ivashko this morning told XINHUA reporters during an interview that his current visit to China "is very fruitful and of great significance to the two communist parties."

Deputy General Secretary Ivashko arrived in Beijing on 26 February for a visit to China at the CPC's invitation. He is the highest Soviet leader to visit China since General Secretary Gorbachev's visit to China in May 1989. The Soviet side views his visit as a continuation of the Soviet-Chinese summit.

The interview was conducted just before he wound up his visit and left Beijing for home. In the Diaoyutai State Guesthouse, where he had stayed during his visit, Deputy General Secretary Ivashko briefed these reporters on his meeting with Jiang Zemin, general secretary of the CPC Central Committee; and Qiao Shi, member of the Standing Committee of the CPC Political Bureau. He said the meetings were very important to both the CPSU and the CPC.

Ivashko has never set foot in China before. China is the first foreign country he has visited since he was elected deputy general secretary of the CPSU last July. During this visit, he conveyed a letter from Gorbachev to Jiang Zemin to again invite the latter to visit the Soviet Union. "The Soviet side is waiting for General Secretary Jiang Zemin's visit to the Soviet Union," Ivashko told XINHUA. "We will welcome and receive him with warmth. I believe that the summit between General Secretary Jiang Zemin and General Secretary Gorbachev will be a new force pushing forward the development of Soviet-Chinese relations, marking an important stage of the new development in the relations between the CPSU and the CPC and between the Soviet Union and China."

Deputy General Secretary Ivashko pointed out that an ascending trend in the right direction in Soviet-Chinese cooperation has emerged since General Secretary Gorbachev's visit to China in May 1989. He supported his view with examples, including the multi-level party relations, the enhancement of governmental ties, the increase in border trade, and the constant contacts between the two countries' foreign ministers. Noting that the Soviet Union and China are both socialist countries adopting production modes different from those of capitalist countries, and that they share more than 7,000 km of common border, Ivashko said these common aspects will enable the two countries to complement each other in the economic field and will help enhance cooperation between the two sides in national construction and in such fields as education and science and technology as well. "Both countries should increase such contacts of mutual benefit, and the great potential for cooperation between the two sides has yet to be fully exploited and utilized," he added.

Deputy General Secretary Ivashko said that during his visit, Chinese leaders has informed him that China would provide the Soviet Union with a commodity loan, which he regarded as of "great significance, not only economically, but also politically."

The 59-year-old Ivashko, a Ph.D. in economics, once taught in a university. He had worked in the Ukraine for a long time before being elected CPSU deputy general secretary. During that period he had been first secretary of the Central Committee of the Communist Party of the Ukraine and chairman of the Presidium of the Supreme Soviet of the Ukrainian Soviet Socialist Republic. During this visit, he talked with Chinese leaders on the issues of reform and opening to the outside world, and also made a field investigation of Sino-foreign joint ventures in Shanghai. When asked for his impressions of China's reform and opening up policy, he said that some methods and principles implemented in China's reform are also applicable to the Soviet Union. The reform itself represents something progressive. Both the Soviet Union and China have been carrying out their respective reforms under socialist conditions. However, he said, they could not exactly copy each other's experiences since the two have different conditions and situations.

Deputy General Secretary Ivashko described his visit to China as "very rewarding," adding that the visit has left him with "the best impression."

At the end of the interview, Deputy General Secretary Ivashko expressed his thanks for the warm hospitality he enjoyed during his visit, which, he said, demonstrates the friendly sentiments of the Chinese communists and the Chinese people for the Soviet communists and the Soviet people.

Northeast Asia

MPRP Congress Adopts Five-Point Program

OW0503170391 Beijing XINHUA in English
1557 GMT 5 Mar 91

[Text] Ulaanbaatar, March 5 (XINHUA)—The Mongolian People's Revolutionary Party (MPRP) links the country's social progress with socialist ideology, and takes materialist dialectics as the basis for its conduct.

This is said in the MPRP's five-point program which was adopted last Wednesday at the end of the party's three-day 20th national congress and was made public by the party's "UNEN" newspaper today.

The five points illustrate the party's nature as "a people's democratic party adhering to socialist ideology;" respect for human being as one of the party's noble objectives; basic principles governing economic policy; guidelines for social and moral progress; and questions concerning the political system.

The program reiterates the MPRP's desire for multi-party cooperation in its efforts to bring social progress

and a happier life to the Mongolian people, while stating again its opposition to attempts to seek factional gains at the price of the nation's unity and best interests.

MPRP will continue to cooperate with foreign parties in the struggle for equality, justice, humanitarianism, democracy, freedom and social progress, the program said, adding that the party will follow a foreign policy of promoting friendship, peace and cooperation.

The MPRP will give top priority to maintaining all-round relations of friendship and cooperation based on equality and mutual benefit with the Soviet Union and China, the program said.

Zou Jiahua Greet Japanese Visitors

OW0603113691 Beijing XINHUA in English
1001 GMT 6 Mar 91

[Text] Beijing, March 6 (XINHUA)—Zou Jiahua, Chinese state councillor and minister in charge of the State Planning Commission, met here this afternoon with a delegation from Japan Tokyo Junior Chamber Inc (TJCI).

Led by Tadashi Okuyama, president of the Japan-China Friendship Association of the TJCI, and Motoji Kobayashi, president of the TJCI, the delegation came here for learning more about the current political situation in China and seeking new channels for Sino-Japanese economic cooperation.

The TJCI, composed of some 1,500 managers of small and medium-sized companies, lawyers, government officials and doctors, is the largest local organization of the Japan Junior Chamber Inc.

Li Ruihuan Speaks to Japanese Journalists

OW0503122891 Beijing XINHUA in English
1156 GMT 5 Mar 91

[Text] Beijing, March 5 (XINHUA)—Li Ruihuan, a Standing Committee member of the Political Bureau of the Central Committee of the Communist Party of China, met a Japanese journalists delegation here this afternoon.

According to a Chinese Foreign Ministry official, Li extended a welcome to the Japanese journalists, and said the Chinese people attach importance to Sino-Japanese relations, treasure the friendly relations between the two peoples established in a long time and hope that such relations will further develop.

Answering questions from Japanese journalists, Li said China will not change its policy of reform and opening to the outside world.

He said the reform and opening in the past dozen years has benefited the Chinese people and brought development to the country. There is no reason to change such a policy, he noted.

Wang Bingqian Meets Japanese Financiers

OW0503140991 Beijing XINHUA in English
1259 GMT 5 Mar 91

[Text] Beijing, March 5 (XINHUA)—State Councillor and Finance Minister Wang Bingqian today called for greater cooperation between Chinese and Japanese financial institutions.

Wang had a 30-minutes conversation with a group of leading Japanese financial figures including Morimasa Yamada, president and chief executive officer of the Nomura Finance Co. Ltd. and Keiichi Sugita, senior executive managing director of the Mitsui and Co. Ltd.

The visitors are here to attend a meeting of the International Union Leasing Co. Ltd, a joint venture of the two Japanese firms, the People's Construction Bank of China and the China National Metals and Minerals Import and Export Cooperation. The joint venture registered a leasing volume of well over 100 million U.S. dollars last year.

Wang described the leasing firm as one having a promising future and encouraged the four parties to expand business in the years to come.

1991 Trade Protocol With DPRK Signed

OW0603080091 Beijing XINHUA in English
0641 GMT 6 Mar 91

[Text] Beijing, March 6 (XINHUA)—The 1991 trade protocol was signed here today between China and the Democratic People's Republic of Korea (DPRK).

Wang Wendong, Chinese vice-minister of foreign economic relations and trade (MOFERT), and Han Su-kil, DPRK's vice-minister of foreign trade, signed the protocol on behalf of their respective governments.

Han Su-kil, with a DPRK Government trade delegation he led, arrived here yesterday upon MOFERT's invitation.

Korean People's Army Concert Troupe Honored

OW0503144691 Beijing XINHUA in English
1351 GMT 5 Mar 91

[Text] Beijing, March 5 (XINHUA)—A 120-member concert troupe from the Korean People's Army was honored at a reception here this evening.

The reception was hosted by Zhou Wenyuan, deputy director of the General Political Department of the Chinese People's Liberation Army (PLA).

Zhou expressed a warm welcome to the guests on behalf of Yang Baibing, secretary-general of the Central Military Commission and director of the PLA General Political Department.

The troupe, led by Han Dong-un, head of the Propaganda Department of the General Political Bureau of the Korean People's Army, arrived here today at the invitation of the PLA General Political Department.

Near East & South Asia

Li Ximing Meets Indian Congress (I) Leader

OW0503173291 Beijing XINHUA in English
1648 GMT 5 Mar 91

[Text] New Delhi, March 5 (XINHUA)—Rajiv Gandhi, president of the Congress (I), India's largest political party, this evening met the visiting Chinese Communist Party (CPC) delegation led by Li Ximing, a Political Bureau member of the CPC Central Committee.

During the meeting both sides expressed satisfaction over the development of the relationship between the two parties, agreeing that the two parties need to increase contacts.

Gandhi recalled his visit as prime minister of India to China in December 1988, describing it as a turning point in the history of the relations between the two countries.

Noting that the Sino-Indian friendship is of great importance to the world peace, Li Ximing said the friendship and cooperation between the two countries are of more importance today than usual in a world that is experiencing vast changes.

Li invited a high-level Congress (I) party delegation to visit China later this year. Gandhi accepted the invitation.

At the invitation of the Congress (I), the nine-member CPC delegation arrived here yesterday morning on a nine-day visit to India.

Earlier today, the delegation discussed with a number of Congress (I) high-ranking officials on economic development of their respective countries at the party's headquarters in New Delhi.

Sub-Saharan Africa

Zhu Liang Hosts Dinner for Angolan Delegation

OW0503140691 Beijing XINHUA in English
1309 GMT 5 Mar 91

[Text] Beijing, March 5 (XINHUA)—Zhu Liang, head of the International Liaison Department of the Chinese Communist Party (CPC) Central Committee, met and hosted a dinner for a delegation of the People's Liberation Movement of Angola—party of labor here today.

The delegation is led by Dino Matross, member of the Political Bureau of the Angola party's Central Committee.

West Europe

Qian Qichen To Arrive in Greece 6 March

OW0503134591 Beijing XINHUA in English
1310 GMT 5 Mar 91

[Text] Athens, March 5 (XINHUA)—Chinese Foreign Minister Qian Qichen will arrive here on Wednesday for

a one-day official visit to discuss with Greek leaders bilateral issues and international developments after the Gulf war.

Greece is the sixth country that Qian visits during his European tour.

The Chinese minister, who will come here from Budapest, will also hold talks with Greek leaders on the promotion of economic and trade relations between China and the European Community (EEC).

Qian Qichen will have separate meetings on Thursday with Greek President Constantine Karamanlis, Parliament Speaker Athanasios Tsaldaris, Premier Constantine Mitsotakis and Foreign Minister Antonis Samaras.

Gu Mu Receives French Senate Delegation

OW0503125891 Beijing XINHUA in English
1236 GMT 5 Mar 91

[Text] Beijing, March 5 (XINHUA)—Vice-Chairman Gu Mu of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) met with a group of French senators here today.

The visitors are led by Robert Laucournet, chairman of the France-China Friendship Group of the French Senate and vice-chairman of the economic and planning sub-committee under the senate.

Gu Mu described Laucournet, who is on his seventh visit to China, as an "old friend of the Chinese people." He also briefed the visitors on the development of China's agriculture in recent years.

Laucournet expressed the wish that more contacts will be made to help deepen mutual understanding and friendship between the officials and peoples of the two countries.

At the invitation of the foreign affairs sub-committee of the CPPCC National Committee, the visitors arrived here this morning on a week-long visit in Beijing, Shanghai and other cities in east China.

Zou Jiahua Receives Swedish Visitors

OW0603113491 Beijing XINHUA in English
1009 GMT 6 Mar 91

[Text] Beijing, March 6 (XINHUA)—Zou Jiahua, Chinese state councillor and minister in charge of the State Planning Commission, met here this afternoon with Bjorn Svedberg, chairman of the Board of Directors of the Swedish Ericsson Group.

Ericsson, one of the largest international producers of telecommunication equipment, has enjoyed friendly relations and cooperation with China over a long period of time. During his visit, Svedberg will hold talks with Chinese officials on strengthening and furthering contacts in the new fields.

Svedberg arrived here March 3 at the invitation of the Chinese Ministry of Posts and Telecommunications.

East Europe

More on Travels of Foreign Minister Qian Qichen

Meets Hungarian Prime Minister

OW0503181091 Beijing XINHUA Domestic Service
in Chinese 1613 GMT 5 Mar 91

[By reporter Liu Weimin (0491 3634 3046)]

[Text] Budapest, 5 Mar (XINHUA)—Hungarian Prime Minister Antall said on 5 March that Hungary is ready to enter into various forms of practical cooperation with China. Antall said this when he met with visiting Chinese Foreign Minister Qian Qichen. In their talks, Antall recalled the history of the development of Sino-Hungarian relations. He praised China for having safeguarded its independence in difficult conditions, and for playing an important role in international affairs as a permanent member state of the UN Security Council and an important country economically.

Prime Minister Antall stressed that the Hungarian Government attaches importance to its relations with China. Whatever changes have taken place, the two countries should continue their development of ties.

Qian Qichen said: Historical experiences tell us that state-to-state relations should be based on the five principles of peaceful coexistence. There should be mutual respect and non interference in each other's internal affairs. He said that we have taken note that Hungary is currently stressing independence. This is a good development. So long as there is no influence by external factors, Sino-Hungarian relations will be able to develop normally.

Present at the meeting were Chinese Assistant Foreign Minister Li Zhaoxing and Chinese Ambassador to Hungary Dai Bingguo.

Communique Reviews Talks

LD0503194491 Budapest MTI in English 1823 GMT
5 Mar 91

[Text] Budapest, March 5 (MTI)—The press office of the prime minister's office issued the following communique on Tuesday afternoon:

Hungarian Prime Minister Jozsef Antall met Chinese Foreign Minister Qian Qichen, in his office in parliament building on Tuesday. The one-hour-long meeting was held in an open and constructive spirit. The sides reviewed the full range of bilateral relations, and agreed that inter-state relations should be intensified, on a correct and non-ideological basis, in the spirit of the principles of mutual advantage, and co-existence. Both countries are interested in the development of economic, cultural and technical and scientific relations. Qian

Qichen passed on an invitation to visit China from the Chinese prime minister to Jozsef Antall, who accepted the invitation.

In the course of talks, Antall said the Hungarian people greatly admire the achievements of the centuries-old Chinese civilization. Our government considers China, a permanent member of the UN Security Council, as one of the determining powers of the world, he said. The followers of democratic renewal in Hungary in 1956 welcomed the Chinese "hundred flowers" movement, and the government of Imre Nagy showed great confidence in, and expected support from, the Chinese government. The disappointment was thus bitter indeed when in early 1957, the stand of the then prime minister Zhou Enlai aggravated the situation of the Soviet leadership, crisis-ridden as it was, and promoted the strengthening of the monolithic system in the whole of east-central Europe.

From the mid-1980's, the Hungarian opposition forces again saw the champion of reforms in China, which is why the crackdown on the student protest was such a profound shock for the Hungarian people. The memory of this is still alive in the minds of the Hungarian nation, one sensitive to human rights, and while certain opposition forces express this by demonstrating in the streets, the head of government does so at the negotiating table. And yet saying this by no means implies that Hungary wishes to interfere in the internal affairs of the People's Republic of China, but giving free expression to opinion is the genuine road to improving relations, the Hungarian prime minister said.

Qian Qichen respected the Hungarian negotiating readiness and its frankness in the discussion of the problematic aspects of relations. The Chinese foreign minister stressed that there are no conflicting interests in relations, that China interpreted it positively that Hungary was more independent now than before, and considered internal reforms as private affairs of each country.

He noted that neither country has been able to sufficiently adapt to the recently introduced free-currency trade accounting. The sides agreed that the tasks of the governments are to create favourable conditions for companies to boost economic relations. The visit of the Chinese minister of foreign trade, and the conclusion of the agreement on the avoidance of double taxation, will shortly be held in this spirit. Qian Qichen raised the idea of drawing up an investment protection agreement, too.

Antall gave a brief on Hungary's home policy and economic situation, and the international political orientation of his government, which is mainly striving to develop relations with West Europe and North America, the rapidly developing countries of the Far East, and the Middle East region. He stressed that, as with the western nations, Hungary firmly stresses the "one China" principle from the political and legal point of view, but holds it necessary to establish relations with business circles in Taiwan and Hong Kong from the economic standpoint. Hungarian government members do not visit Taiwan in

their capacity as government members, although the country holds the opening of trade representations, on a reciprocal basis, to be necessary for a stable organization of economic relations.

Qian Qichen acknowledged the Hungarian position, and added that China is open to the world, and wants to keep Hong Kong as a major financial centre even after it is returned to mainland China after 1997.

At the end of the talks both politicians stressed that Hungary and China can create good economic relations, in spite of their differing ideological and political outlook, as this accords with the interests of both countries.

Qian, Jeszenszky Confer

OW0503200391 Beijing XINHUA Domestic Service
in Chinese 1645 GMT 5 Mar 91

[By reporter Liu Weimin (0491 3634 3046)]

[Text] Budapest, 5 Mar (XINHUA)—Chinese Foreign Minister Qian Qichen and Hungarian Foreign Minister Jeszenszky said in Budapest on 5 March that China and Hungary can further develop exchanges and cooperation in various fields on the basis of mutual benefit.

The two foreign ministers held the second round of talks on the morning of 5 March. They mainly exchanged views on developing bilateral relations.

Jeszenszky pointed out that the Hungarian Government agrees with China's viewpoint that nation-to-nation relations should surpass the differences in social systems and ideologies. He said that Hungarian-Sino relations could not be counted as normal in the past due to external influences, but things are different now, and the two countries can develop their ties in a normal way. He hoped that Hungarian-Sino friendly relations will be closer and more realistic. Both sides should seek new methods of cooperation and tap the potential for developing exchanges and cooperation in various spheres.

Jeszenszky reiterated Hungary's one-China stand—recognizing the government of the People's Republic of China as the sole legitimate government of China and opposing any action intending to treat Taiwan as a political entity.

Foreign Minister Qian Qichen noted that the conditions of China and Hungary are different, but it is entirely possible to develop normal state-to-state relations. He expressed the hope that China and Hungary will increase political exchanges, including those between government departments and social organizations, and develop various channels of economic and trade cooperation, particularly various forms of cooperation between localities and enterprises of the two countries.

Participating in the talks were Tomoi [name as received], deputy secretary of state under the Foreign Ministry of Hungary; Li Zhaoxing, Chinese assistant foreign minister; and Chinese Ambassador to Hungary Dai Bingguo.

Meeting With President Goncz*LD0503155291 Budapest Domestic Service
in Hungarian 1500 GMT 5 Mar 91*

[Text] President Arpad Goncz believes it is possible to broaden Hungarian-Chinese relations on the basis of previous ties. The president of the Republic said this when he received the PRC foreign minister, who is currently staying in Budapest. Qian Qichen underlined that China was interested in the Hungarian experience. Arpad Goncz called the guest's attention to Hungarian telecommunications and metallurgical products and also suggested the exchange of students and translators.

The PRC foreign minister met with Prime Minister Jozsef Antall this morning.

Further on Meeting*LD0503163291 Budapest Domestic Service
in Hungarian 1600 GMT 5 Mar 91*

[Text] Arpad Goncz, head of state, has proposed to the Chinese foreign minister that experts of the two countries should compile a list of possible areas of economic cooperation. The president of the republic has called the attention of Qian Qichen to Hungarian telecommunications and metallurgy products, and urged the exchange of students and translators.

During the day the Chinese foreign minister was received by Prime Minister Jozsef Antall and National Assembly Speaker Gyorgy Szabad.

Despite the scheduled program Qian Qichen did not meet representatives of the National Assembly Foreign Affairs Committee, because the committee decided that such a meeting is not timely at present.

Spokesman Briefs Press*LD0503175491 Budapest Domestic Service
in Hungarian 1700 GMT 5 Mar 91*

[Excerpts] Miklos Lengyel reports from the press briefing given by the spokesman of the Chinese foreign minister.

[Lengyel] the spokesman of the Chinese foreign minister assessed the visit of Qian Qichen as a "great success." Speaking at a press briefing in Budapest today, he said

that the negotiations with the Hungarian leaders were successful. [passage omitted]

Economic links were given particular attention in the negotiations held with Minister of Foreign Affairs Geza Jeszenszky. At present trade is only a fraction of that of five or six years ago. China is solvent and is willing to buy good-quality Hungarian goods, Qian Qichen, said in this regard.

Anti-Qian Demonstration*LD0503174691 Budapest Domestic Service
in Hungarian 1700 GMT 5 Mar 91*

[Text] The Federation of Young Democrats [FYD] has organized a protest demonstration against the visit of the Chinese foreign minister. Peter Szorenyi reports from our VHF car:

[Szorenyi] Chinese toothpaste cannot be more important than memory; there is no so-called higher economic or political interest; we must remember the bloody events in Beijing of 18 months ago. This was said by Marton Monos, member of the FYD board, at the demonstration of about 100 people. He drew a historical parallel between the Hungarian events of 1956 and the massacre in Tiananmen Square.

Therefore, the sympathizers, FYD members, and National Assembly deputies who were present at the demonstration do not agree to the visit of the Chinese foreign minister. At the least, they expressed their joy that the appearance of Qian Qichen in the session hall of the National Assembly was cancelled.

Qian Meets Assembly Speaker*OW0603023091 Beijing XINHUA in English
0155 GMT 6 Mar 91*

[Text] Budapest, March 5 (XINHUA)—Speaker of the Hungarian National Assembly Gyorgy Szabad today expressed hope that contacts between the Hungarian and Chinese Parliaments would be strengthened.

During his meeting with visiting Chinese Foreign Minister Qian Qichen, Szabad said Hungary respects Chinese history, culture and its international standing, and cherishes the good relations with China.

Qian said parliament could play an important role in developing foreign relations. Contacts between the two parliaments would contribute to promoting understanding and enhancing friendship, he added.

Political & Social

State Council Appoints, Removes Officials

OW0603142991 Beijing XINHUA Domestic Service
in Chinese 0757 GMT 6 Mar 91

[Text] Beijing, 6 Mar (XINHUA)—The State Council recently made a number of appointments and removals of state functionaries.

Hong Hu [3163 5706] was appointed vice minister of the State Commission for Restructuring the Economy. Wang Ang [3769 2491, former chief engineer] was pointed vice minister of the Ministry of Aeronautics and Astronautics Industry. He Guoqiang [6320 0948 1730] was appointed vice minister of the Ministry of Chemical Industry. Tong Zhiguang [0157 1807 1639] was appointed vice minister of the Ministry of Foreign Economic Relations and Trade. Yang Kuifu [2799 7608 1318] was appointed vice minister of the State Family Planning Commission. Chen Ziyang [7115 3320 5391, former director of the Hong Kong and Macao Affairs Office of the Ministry of Foreign Affairs] was appointed deputy director of the Hong Kong and Macao Affairs Office of the State Council. Jiang Zhuping [5592 4376 1627] was appointed director of the Civil Aviation Administration of China. Zhang Hongzhao [1728 7703 3564] was appointed consul general in Tijuana. Zhang Yuanwei [1728 0337 5898] was appointed consul general in Chongjin. Zhang Zhiguo [1728 1807 0948] was appointed consul general in Chiang Mai.

Jiang Xiesheng was removed from the post of vice minister of the Ministry of Aeronautics and Astronautics Industry. Hu Yizhou was removed from the post of director of the Civil Aviation Administration of China. Xie Qihua was removed from the post of consul general in Chongjin.

NPC Adopts Legal Education Resolution

OW0503125691 Beijing XINHUA Domestic Service
in Chinese 1338 GMT 2 Mar 91

[Resolution of the Seventh National People's Congress Standing Committee on Conducting In-Depth Publicity and Education on the Legal System; adopted by the 18th Meeting of the Seventh National People's Congress Standing Committee on 2 March 1991]

[Text] Beijing, 2 Mar (XINHUA)—Marked results have been achieved in implementing the first five-year plan on popularizing the legal knowledge since 1986, but much remains to be done in China's legal construction. With a view to strengthening the construction of socialist democracy and the legal system, the National People's Congress [NPC] Standing Committee deems it necessary, on the basis of summarizing the experience in the first five-year plan, to carry out the second five-year plan on popularizing the legal knowledge and intensifying publicity and education on the legal system beginning in 1991 in order to further enhance legal understanding

among the masses of cadres and people; to guarantee the enforcement of the Constitution and laws; to persist in doing things according to the law; to facilitate the administration of the country and the management of various undertakings according to the law; to create a favorable legal environment for the smooth implementation of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development and for reforms and opening up; and to promote political stability, economic rejuvenation, and social progress in China. Hence, the NPC Standing Committee has decided on the following matters, in particular:

1. In carrying the second five-year plan on publicity and education in the legal system, it is necessary to focus attention on publicizing and studying the "PRC Constitution" and to popularize such basic laws as the "PRC Administrative Procedure Law," the "PRC Compulsory Education Law," the "PRC Law Governing Demonstrations," the "PRC National Emblem Law," the "PRC Marriage Law," the "Decision Banning Narcotics," and the "Decision on Punishing Criminal Offenses in Smuggling, Producing, Selling, and Disseminating Pornography." Meanwhile, it is necessary to select pertinent basic laws related to civil and criminal affairs and state organizations. Each department or unit should study and familiarize itself with the economic and other specialized laws that are closely related to the work of that department or unit. This should be done in a planned and systematic manner and at different levels. All localities should study selective laws and regulations in light of the reality in each locality.

2. The targets of the second five-year plan on legal education are leading cadres at various levels, law enforcement cadres, workers engaged in propaganda and educational work, and young people. Senior cadres should set good examples for people throughout the country in studying and observing the law and doing things according to the law.

3. In light of the necessity of training a new generation of successors to the cause of socialism, it is necessary to designate required courses on the legal system at colleges, middle and primary schools, and other schools. To effectively strengthen education on the legal system among school students, textbooks at different levels should be edited, and an enriched legal education should be incorporated into the teaching program. On the basis of the first five-year plan on popularizing legal knowledge, efforts should be made to further improve and institutionalize legal education in schools so as to enhance legal awareness and understanding among young people and students.

4. In the course of study, it is necessary to adhere to the principle of integrating theory with practice, and to combine study with the application of laws. In implementing the second five-year plan on publicity and education on the legal system, leaders at all levels should place on their agenda the administration and management of all undertakings according to the law. Plans for

conducting serious surveys on the enforcement of pertinent laws should be worked out so as to rectify failure to observe and strictly enforce the law and to punish lawbreakers. The results of law study should be reflected in management according to the law, which should be the main criterion for evaluating law study.

5. It is necessary to conduct in-depth and sustained education on the legal system under the CPC leadership and by mobilizing and relying on all forces of society so as to facilitate the management of all undertakings according to the law. All state organs and armed forces, political parties and social organizations, and enterprises and institutions should conduct legal education among the citizens of their own departments and units, and actively carry out their work according to the law. Standing committees of people's congress and local governments at various levels should exercise greater leadership and increase the effort to examine the implementation of this resolution. They should formulate feasible plans and adopt effective measures for implementing the resolution.

Ninth Meeting of Trade Union Federation Ends

OW0503061091 Beijing XINHUA Domestic Service
in Chinese 0428 GMT 2 Mar 91

[By reporter Li Niangui (2621 1628 6311)]

[Text] Beijing, 2 Mar (XINHUA)—The Ninth Presidium Meeting of the 11th Executive Committee of the All-China Federation of Trade Unions concluded today with the passage of a resolution entitled "Carry Forward the Spirit of Being the Master of One's Own Destiny, Join the Main Force, and Contribute To the Realization of the Grand Goals of the Last 10 Years of This Century." The presidium meeting urged workers and staff members of all ethnic origins across the country to bravely take up the class responsibility, and historical mission, of ensuring the prosperity and consolidation of the country and the nation on the one hand and of developing the socialist system on the other, and to work hand in hand to fulfill the 10-Year Program and the "Eighth Five-Year Plan."

The presidium meeting, convened on 25 February, heard and discussed Nie Zhifu's work report. In addition, during the meeting, 18 enterprises also shared their experience of relying on their workers and staff members wholeheartedly to run their socialist enterprises successfully. Yu Hongen, vice president of the All-China Federation of Trade Unions, stressed in his closing speech: In the next 10 years, trade unions shall strive, from the beginning to the end, to unify workers and staff members throughout the country, maintain stability and solidarity, and boost the economy with all their might, in order to realize the goal of "quadrupling the gross national production and achieving a comfortable living standard for the people." He said: The primary function of trade unions is to ensure that the party's basic guiding policy of relying on the working class wholeheartedly is put into practice, to constantly

encourage workers and staff members to take the initiative and be creative, and to ensure that the fountain of vitality flows forever in enterprises.

The "resolution," which was approved today, calls on workers and staff members across the country to make positive contributions to the following eight areas:

- They shall carry on the drive of "learning from the advanced, being the master of one's own destiny, vying against one another in making contributions, and aspiring to be the first in everything." More effective efforts shall be made to promote socialist labor competition aiming at raising economic efficiency and to encourage rationalization suggestions and creativity. Workers shall motivate themselves to compete with each other within each unit, locality, or industry to produce first-rate quality, goods, efficiency, services, or work.
- They shall devote their wisdom and energy to invigorating enterprises, in particular, state-run large- and medium-sized enterprises. They shall strive to tap internal potential and make contributions to deepening enterprise reform, strengthening enterprise management, promoting technological advancement, and developing new products.
- They shall help to enhance basic industries and infrastructure and ensure the completion of key construction projects. Workers and staff members engaged in the design and building of key construction projects as well as those engaged in the manufacturing of equipment, and the supply and transport of raw materials, for key construction projects shall cooperate with each other to ensure that the projects are completed and put into operation on schedule, and that they are of good quality and safe, so that more vitality and staying power can be added to the national economy.
- They shall assist in the technical upgrading of traditional industries and existing enterprises. The working class shall use its intelligence and wisdom to help improve equipment and technology, arm processing industries and existing enterprises with advanced equipment and technology, produce better and marketable goods, develop substitutes for imported products, reduce energy consumption and waste, and lower costs.
- They shall support agriculture with high-quality products and services and help further open up rural markets. Relying on the vast number of agrotechnicians and rural teachers as the backbone force, they shall help integrate agriculture, science, and technology together; popularize agrotechniques; and promote agricultural development with science, technology, and education. They shall use their technology, knowledge, and experience to support rural enterprises and assist old liberated, minority, frontier, or impoverished areas to achieve common prosperity.
- The vast number of intellectuals shall continue to make significant contributions to education in science

and technology in the country. Scientists and technologists shall participate in economic construction and help transfer scientific and technological achievements into practical productive forces as quickly as possible. By teaching, educators shall help cultivate qualified people for socialist modernization and improve the quality of the nation.

- They shall aspire themselves to be the model for plain living, hard struggle, and building up the country through thrift and hard work. They shall carry on the working class' fine tradition of being industrious and frugal, oppose extravagance and waste, and save whatever money and materials can be saved to increase self-accumulation for socialist construction.
- They shall enhance their ideological and political awareness, pursue education and technology, uphold a correct political orientation, be responsible to the people professionally, adhere to labor discipline, and constantly improve their professional skills. In other words, they shall aspire themselves to be workers and staff members who have ideals and morals and are well educated and disciplined so that they can contribute to the "Eighth Five-Year Plan."

Security Minister Addresses National Conference

OW0603043291 Beijing XINHUA Domestic Service
in Chinese 1131 GMT 5 Mar 91

[By RENMIN RIBAO reporter Xu Yunping (1776 6663 1627) and XINHUA reporter Zhou Lixian (0719 4539 2009)]

[Text] Beijing, 5 Mar (XINHUA)—A national conference of directors of public security departments was held in Beijing today. Minister of Public Security Tao Siju spoke at the conference. He asked public security organs at various levels to conscientiously implement the guidelines of the Seventh Plenum of the 13th CPC Central Committee and of the national work conference on comprehensive administration of public order, to enthusiastically perform their functions, and further the comprehensive administration of public order.

Tao Siju briefly summarized the public security work in the past year. He pointed out: Under the leadership of the party committee of the Ministry of Public Security and party committees and governments in various localities, public security organs at various levels and all public security policemen, officers and men of the armed police, and public security cadres overcame numerous difficulties, waged hard struggles, and continuously fought last year. They firmly rallied around national and social stability and made remarkable achievements in stabilizing the overall situation around the country, ensuring success of the Asian Games, as well as in other fields. According to the arrangements made by the CPC Central Commission of Political Science and Law, public security organs around the country have launched nationwide campaigns on "sternly striking at crimes," as

well as thoroughly continued their struggles in eliminating the "six vices" and "pornography" after the first 10 days of May. The moves have hit a hard blow at and stunned the criminals.

Speaking of the present state of public order, Tao Siju said: Public security organs have adhered to the principle of "sternly striking at" serious crimes in the past few years. They constantly organized various types of special struggles and measures to maintain the basic stability of public order and ensure normal production and a normal daily life of the people. Therefore, the people are building up a sense of security. The tasks of public security organs in fighting crime and strengthening administration of public order, however, are still very arduous.

As for this year's public security work, Tao Siju asked public security organs to stress and coordinate work of crime fighting and prevention. Based on actual conditions in the localities, they should continue to establish suitable measures and make appropriate arrangements to effectively close loopholes, remove hidden perils, and unremittingly do a good job in prevention work, while persisting in "striking hard blows on" serious crimes.

Yu Lei, vice minister of public security, delivered a speech on how public security organs can perform their functions to continuously deal hard blows at crimes. He maintained: Although we have made significant achievements in this field, the current state of public security is still quite grim. Therefore, we should be mentally prepared for resolutely fighting serious crime on a long-term basis to further improve the public order of our country.

Yu Lei also set out specific requirements of fighting the 10 types of crimes concerning stealth and robbery of firearms, homicides committed with guns, explosions, frauds, drug smuggling, and others. He asked various localities to launch timely "stern crime striking" campaigns according to local conditions. They should do the job firmly and vigorously, as well as strictly adhere to policies and law, so that the campaign will progress smoothly.

Urges Harsher Penalties

OW0503160591 Beijing XINHUA in English
1425 GMT 5 Mar 91

[Text] Beijing, March 5 (XINHUA)—China's top police official today urged public security departments across the country to maintain a constant vigil on criminal activities and enhance activities related to the management of the social order.

Tao Siju, minister of public security, said that the move towards levying harsher penalties for serious crimes should be strengthened further this year.

The recently appointed minister told provincial level directors of public security bureaus, who were attending a national conference, that efforts should be focused a crack-down on crimes involving violence and sinister gangs.

Tao also called on public security departments to strengthen criminal investigations and to promote their capacity to solve criminal cases.

Recent reports indicate that during 1990 China's public security bureaus cleared over 1.2 million criminal cases, or approximately 60 percent of total criminal cases reported.

The minister said that better management of the population, both the permanent population and transients, is necessary.

There should be strict management of pornographic materials, weapons and other dangerous goods, he added.

Vice Minister Speaks

OW0503160691 Beijing XINHUA in English
1539 GMT 5 Mar 91

[Text] Beijing, March 5 (XINHUA)—Chinese public security departments have succeeded in halting the increasing trend in criminal offenses, a senior official said here today.

Yu Lei, vice-minister of public security, told heads of public security bureaus at different levels to place this year's focus on crimes related to the economic sector.

Speaking at a national meeting, Yu referred to some specific crimes, including swindling and smuggling.

Recent estimates are that the amount of money swindled last year was equal to the total losses resulting from all other types of criminal activities. The increasing rate of cases involving swindling now tops all other crimes.

In southeastern coastal areas over 5,500 smuggling cases were investigated last year and the seizure of smuggled goods amounted to over 770 million yuan.

Xing Chongzhi Views Anticorruption Exhibition

SK0603113091 Shijiazhuang Hebei Provincial
Service in Mandarin 2300 GMT 5 Mar 91

[Text] The national exhibition on procuratorial organs punishment for embezzlement and bribery was formally open to the public at the provincial museum on 3 March. On the first day of the exhibition, some 4,200 people in various circles of the provincial capital were attracted to the exhibition.

At the opening ceremony held on the morning of 5 March, Xing Chongzhi, secretary of the provincial party committee, cut the ribbon, and Lu Chuanzan, deputy secretary of the provincial party committee, made a speech. He said: Opposing embezzlement and bribery constitutes a major part of the campaign of opposing corruption and promoting the building of administrative honesty. Party committees, people's congresses, and governments at all levels must fully understand the great significance and the difficulty of this work, and then strengthen guidance, supervision, and support of it. Procuratorial organs throughout the province should seize the favorable opportunity provided by this

exhibition, and adopt effective measures to continuously and penetratingly unfold the campaign of opposing embezzlement and bribery with a view to creating a good environment for the province to build its economic chorus.

After viewing the exhibition, Provincial Leading Comrades Xing Chongzhi and Lu Chuanzan wrote inscriptions for the exhibition with a writing brush. Some people also wrote their names on the visitors' book after viewing the exhibition.

Among those provincial leading comrades who attended the opening ceremony and viewed the exhibition were Yang Zejiang, Guo Zhi, Li Wenshan, Chen Yujie, Li Haifeng, Yue Zongtai, Hong Yi, Bai Shi, Wang Zuwu, Huang Lan, and Ma Xinyun.

Country's Stability Seen as Superficial

HK0603102791 Hong Kong CHENG MING in Chinese
No 161, 1 Mar 91 pp 11-12

["Notes on a Northern Journey" by Lo Ping (5012 0393):
"Inextinguishable Sparks"]

[Text] Will the seeds of fire be extinguished? The forest fire was finally put out, but the sparks of freedom will exist for ever.

Although the CPC authorities tried hard to create a festival atmosphere through putting on dances and performances during the Chinese New Year and their means of propaganda spared no effort to present a false scene of "stability and unity" and to clamor that "as the Year of Ram brings about peace and prosperity, the whole nation joins in the jubilation," people could still perceive something inharmonious in the superficial scene of tranquility created by the authorities to attenuate the aftermath of the "4 June Incident."

We may see what was going on in Beijing.

Silence Was Not Equal to Stillness

The CPC authorities tried and sentenced the prodemocracy activists in the past more than one month, and the reaction of the people in Beijing was silence. What did the silence mean? The court was heavily guarded as if there were serious threats. This showed that the supreme judges—the decisionmakers in the CPC leadership—were deeply fearful! Silence was not equal to stillness. Silence was an expression of protest and another form of struggle. In Beijing, some common people thought that it was hard to see the emergence of another prodemocracy movement in the near future as most prodemocracy activists were jailed or had fled, but most people were still unwilling to submit to the authorities. More than 1 million people came out to intercept the military vehicles, and most of these unknown people were still fighting for human rights, democracy, and freedom. The sparks of hatred did not die out!

"Sentence Li Peng and Yang Shangkun to Death!"

Some people could not hold themselves back and took action to protest against the court decisions over the prodemocracy activists.

More than 10 "reactionary" slogans appeared in Beijing during the period of bringing the prodemocracy activists to court. One of them was found in a public toilet near Xisi. The slogan—"Sentence Li Peng and Yang Shangkun to Death"—was made with big characters clipped out of newspaper headlines, and it was made by the "people's court."

Although this was just a silent condemnation, the authorities were still deadly nervous. The public toilet was blockaded, and the policemen had to tear down the "reactionary" slogan while covering their noses with their hands.

The Beijing Municipal Public Security Bureau was required to investigate all the "reactionary slogan" cases.

Explosion in Tiananmen Square

The CPC authorities were more fearful of noisy protests. Shortly before the Spring Festival, several explosions occurred in Beijing. The first one occurred on 23 January in Tiananmen Square. A home-made bomb exploded, and the police arrested seven people who had come to Beijing from other provinces. Two young people frankly admitted that they were resentful of the actions of the authorities in trying and sentencing Wang Dan and other prodemocracy activists. The second explosion case occurred on 27 January on the road west to the Fengtai intersection in Beijing's western suburbs. Bombs were planted by people in two trucks. No one was injured, and no one was arrested for the incident. The police thought that it was a political incident. Some people also thought that this was a warning and protest against the supreme judges.

Escalation of the White Terror

Panic-stricken, the CPC central authorities and the Beijing Municipal authorities issued orders to the security department, and did not allow the occurrence of any more explosion incidents, especially in the period around the Spring Festival.

Thus, the white terror in Beijing was escalated.

Before the Spring Festival, the number of armed and plainclothes policemen in all public places was greatly increased. The procuratorates, courts, and public security organs were also more heavily guarded. Armed policemen continued to patrol the streets late at night and examined vehicles passing by.

False People's Liberation Army Soldiers Were Discovered

At the same time, the municipal authorities also conducted several rounds of full-scale population examination. People who were not carrying identity cards or

other certificates were all detained for further investigation. Reportedly, on 24 and 27 January, more than 10,000 people were taken into custody. Among the detainees, more than 20 were false military personnel of the People's Liberation Army, and they wore the uniforms. It was the first time so many false soldiers had been discovered in Beijing. All hotels in Beijing were told not to provide accommodation for soldiers who did not carry proper certificates, and the hotels were required to immediately report such cases to the authorities.

"Little-Foot Detector Teams" Were Sent Everywhere To Keep Lookout Over the People

When the Spring Festival was drawing near, the Beijing authorities became more nervous. All institutions, factories, and schools were required to study the documents on maintaining security and guarding against enemy spies. Various subdistrict offices also organized ordinary residents to study such documents. In particular, the "little-foot detector teams" (consisting of elderly women who were sent to visit families in the neighborhood and played the role of informant) became very active, and went everywhere to keep a lookout over the people. Public security cadres and policemen were required to be on duty in rotation day and night. After midnight, they had the power to stop and check any pedestrians whenever they wanted. When receiving any visitors from other provinces, local residents had to file a report to the neighborhood police stations. The Beijing Municipal Government also laid down three rules: First, no one is allowed to give unidentified people lodging. Second, no one is allowed to buy air tickets or railway tickets for people from other provinces. Third, goods supplied for local residents during the Spring Festival cannot be transferred to people from other provinces. In addition, all families were required to report any suspected people to the authorities immediately.

Keeping a Close Watch on Foreign Correspondents and Hong Kong and Taiwan Reporters

The CPC authorities used their eyes like a hunting dog to keep a close watch on foreign tourists, foreign correspondents, and reporters from Hong Kong and Macao, while searching for traces of resistant patriots at home.

They were terribly suspicious and thought that many foreign tourists might carry "reactionary" propaganda materials that showed sympathy for China's prodemocracy movement and that there might also be foreign spies among the tourists.

After New Year's Day 1991, the Ministry of National Security issued an internal document, saying that many foreign correspondents and Hong Kong reporters secretly met with Beijing students and that the two sides maintained close contact. It pointed out that the correspondents for AP and KYOTO were particularly active.

The Ministry of Public Security Divided Foreigners Into Four Types

Thus, they keep close watch on foreigners in China to the degree of suspecting every foreigner. Earlier this year, the CPC authorities issued a directive, requiring the departments concerned to tighten up their supervision over foreigners in Beijing and in all parts of China. At the same time, they also treated foreign correspondents and Hong Kong and Taiwan reporters as their dangerous enemies. The Ministry of Public Security has divided foreigners into four categories: 1) resident foreign correspondents; 2) the personnel of foreign embassies and consulates; 3) the personnel of foreign business companies; and 4) foreign tourists. The document of the Ministry of Public Security pointed out that among these four types of people, problems may occur in the first and fourth categories, so measures should mainly be taken to guard against foreign reporters and foreign tourists.

Presently, the department concerned has paid special attention to the activities of several foreign correspondents who were included in the black namelist. Plans have been worked out to take necessary action against these people by making public their activities if the political situation requires it.

In addition, people who come from Hong Kong, Macao, and Taiwan to visit their relatives and friends on the mainland are also taken as major supervision targets by the security department.

Undercurrents Below the Calm Surface

Such treatment of foreign, Hong Kong, and Taiwan reporters by the CPC authorities shows that the mainland situation was never as "stable" as the CPC propaganda mouthpieces claimed. There are undercurrents, and the people still long for change. The seed of fire has not been extinguished. Otherwise, why do they fear external reporters? In addition, the mainland authorities have tried to reduce the transparency and sever information exchange between domestic people and external people so that they can prevent the mainland people from knowing the current situation in the outside world, and also prevent the outside world from knowing about the mainland's unstable condition. Therefore, as some people in Beijing say, the CPC rulers and Iraq's Saddam Husayn are jackals from the same lair because they are all tyrants.

Survey Shows Population Growth Rate Rise

OW0503175291 Beijing XINHUA Domestic Service in Chinese 2141 GMT 2 Mar 91

[By reporter Wu Shishen (0702 1102 3234)]

[Text] Beijing, 3 Mar (XINHUA)—According to a sample survey by the State Statistical Bureau, in 1990, both birth and death rates in mainland China went up slightly from the year before, and the natural population growth rate rose from 14.33 per thousand to 14.39 per thousand, posting the

highest annual rate of the past eight years. The year saw a net increase of more than 16 million people in China, signaling a serious population situation.

The sample survey shows that in 1990, 21.06 babies were born to every 1,000 people, and 6.67 persons died among every 1,000 people. Shanghai had the lowest birthrate, 10.31 per thousand, followed by Beijing, Zhejiang, Tianjin, and Liaoning. There were 13 provinces, autonomous regions, and municipalities with birthrates below the national average. Ningxia had the lowest death rate, 5.52 per thousand, followed by Guangdong, Tianjin, Beijing, and Gansu. A total of 16 provinces, autonomous regions, and municipalities had death rates lower than the national average. The natural population growth rates in Shanghai, Beijing, Zhejiang, Liaoning, and Tianjin were all less than 10 per thousand, representing the lowest net population growth rates in the country. Populous Henan and Shandong witnessed slight increases in their natural population growth rates. In 1990, 16 provinces, autonomous regions, and municipalities had natural population growth rates higher than the national average.

Enhancement of Jiang Zemin's Image Reported

HK0603011991 Hong Kong SOUTH CHINA MORNING POST in English 6 Mar 91 p 10

[By Willy Wo-lap Lam]

[Text] The party General-Secretary, Mr Jiang Zemin, is using the campaign to learn from "proletariat paragon" Lei Feng to boost his standing in the party and army.

Major national newspapers yesterday carried on their front pages a talk given by Mr Jiang late last year to former colleagues of Lei, a model soldier lionised by Chairman Mao Zedong as the "unstinting screw of the revolution".

Mr Jiang's talk was released yesterday on the occasion of the 28th anniversary of the chairman's launch of the Learn From Lei Feng Movement.

The party boss said the whole party and people must emulate the "total self-abnegation and serve-the-people attitude" of Lei.

"It is mistaken to say that under conditions of reform and the open door, money suffices for everything," Mr Jiang said.

"The goal of reform and the open door is to perfect the socialist system. And socialist material and spiritual civilization must be developed together.

Mr Jiang quoted from such first-generation leaders as Chairman Mao and Zhou Enlai on the need to follow in Lei's footsteps.

He also cited patriarch Mr Deng Xiaoping on the fact that in recent years, "our biggest mistake was education", pointing out that Mr Deng was referring to failure to implement ideological education.

China analysts say it is no coincidence that at a time when Mr Deng and Mr Jiang are pushing a new phase of economic reform, they are at the same time highlighting the need to observe the strictest orthodoxy on the political front.

A source said: "Jiang is portraying himself as an exemplar of the Lei Feng spirit to consolidate his base among the more traditionalist factions of the party."

"The propaganda machinery is giving prominence to Jiang's speech to show he is worthy successor of Mao, Zhou and Deng."

Chinese sources say that in recent months, Mr Deng has been trying to prop up the authority of Mr Jiang, who is also chairman of the policy-setting Central Military Commission (CMC).

For example, the patriarch has asked Mr Jiang to pay more attention to economic policies as well as military affairs.

The sources said late last year, Mr Deng has vetoed the promotion of Chief Political Commissar Mr Yang Baibing into the Politburo.

Mr Yang, who is also CMC Secretary-General, is seen as a potential competitor to Mr Jiang as China's next military strongman.

Yesterday, Japan's mass-circulation Yomiuri shimbun reported that the Communist Party might hold its 14th congress later this year instead of late 1992.

Party congress are usually held every five years. The 13th conclave took place in October 1987.

Commentator Stresses Emulation of Lei Feng

OW0403184291 Beijing XINHUA Domestic Service
in Chinese 0937 GMT 4 Mar 91

["QIUSHI commentator: In Emulating Lei Feng, It Is Important to Grasp the Essence"—XINHUA headline; published in the 1991 No. 6 Issue of QIUSHI]

[Text] Beijing, 4 Mar (XINHUA)—QIUSHI has published Comrade Jiang Zemin's speech at a meeting with the People's Liberation Army's "Lei Feng Regiment" last October in Fushun, birthplace of the Lei Feng spirit. The speech, which is terse in language but comprehensive in meaning, is of great significance for guiding the deepening of the mass campaign to emulate Lei Feng.

Lei Feng was a communist soldier like Zhang Side and Bethune, who was nurtured by Marxism-Leninism-Mao Zedong Thought and grew up in the practice of China's socialist revolution and construction in the 1950's and 1960's. Lei Feng's spirit is an inheritance and development of the Chinese nation's traditional virtue and noble proletarian character in the socialist period. In March 1963, Mao Zedong and other revolutionaries of the older generation wrote inscriptions calling for emulation of

Comrade Lei Feng. A vigorous mass campaign to emulate Lei Feng swiftly unfolded in various localities throughout the country, and the Lei Feng spirit was disseminated everywhere in the country, inspiring people to work assiduously for the motherland's construction. However, in the subsequent course of tortuous development, the campaign was first interfered with by the ultra-leftist ideological trend, then crushed by bourgeois liberalization a few years ago. In addition, it has lain idle as a result of the tendency of weakening ideological and political work. Shortly after the political storm subsided in 1989, the new-generation leadership collective, with Comrade Jiang Zemin as the nucleus, once again called for emulating Comrade Lei Feng and propagating his spirit. The mass campaign to emulate Lei Feng is once again in full swing.

In order to further promote the campaign to learn from Lei Feng, Comrade Jiang Zemin, during the meeting with the "Lei Feng Regiment," emphasized: "The campaign to emulate Lei Feng can be carried out in various forms; what is more important, however, is to grasp the spirit." Herein lies the summary of experience in learning from Lei Feng since the 1960's, as well as the objective demand of the current new situation and tasks.

What does the Lei Feng spirit mean essentially? Comrade Jiang Zemin pointed out: "The essence of Lei Feng's spirit is serving the people wholeheartedly and making selfless sacrifices in the cause of the people." This remark reveals, in broad outline, the quintessence and true meaning of the Lei Feng spirit. Conscientiously putting into action the fundamental goal of communists, Lei Feng closely combined his destiny with the cause of the people, dedicating his limited life to serving the people boundlessly and giving everything he had, including his precious life, to the people. Such a spirit of selfless dedication is a concentrated manifestation of the communist outlook on the world and life, and a communist concept of value. The exemplary role of the spirit serves as a spiritual motive force, encouraging people to forge ahead courageously in the entire socialist period and the entire march to realize the communist ideal.

There was a view that held that under the condition of reform, opening up, and commodity economy, money could make anything work and that there was no need to emulate Lei Feng. What is worse is that a few years ago, some people went so far as to belittle Lei Feng and his spirit while unscrupulously advocating the bourgeois value concept and outlook on life. As a result, the pernicious influence of the idea of "putting money above everything else" pervaded the whole country, causing some spiritually degenerated people to regard money-making as the sole purpose of life and to use the amount of money earned as the criterion for evaluating life. In order to make money, some people even bartered away human dignity and national pride and readily committed crimes in violation of the law. Does such a situation not explain precisely how necessary and important it is to promote the Lei Feng spirit under conditions

of reform and opening up and in the course of developing commodity economy?

In fact, the negative ugly phenomena mentioned above are merely the dregs and foam whipped up by the surging tide of history and have by no means concealed the brilliance of the Lei Feng spirit. Amid these ugly phenomena the Lei Feng spirit has shown itself even loftier and more touching; as a result, more and more people have hailed Lei Feng and participated in learning from Lei Feng and fostering new habits. "You can throw cold water on Lei Feng, but we will still learn from him," said group after group of activists who were at their posts on all fronts throughout the country regarding learning from Lei Feng. More and more progressive people, heroes, and models of the Lei Feng-type have emerged, but these are only some of the representatives of the masses; there are still tens of thousands of people who are working quietly at their posts, carrying forward the Lei Feng spirit with actual deeds. It is they who are holding high the lofty righteous spirit and purifying the spiritual environment for reform and opening to the outside world. It is they who have composed the main tune of the spirit of our time. Their actions serve as the best repudiation of the theory that the Lei Feng spirit is outdated.

The Lei Feng spirit still can satisfy today's needs; it is not, and will never be, outdated. The fundamental reason for this is that the reform and opening to the outside world we are carrying out are socialist reform and opening to the outside world, and that the commodity economy we are developing is a socialist commodity economy. Its purpose is to build socialism with Chinese characteristics and to finally achieve communism. This determines that, during the course of reform and opening to the outside world and economic development, it is necessary to uphold the four cardinal principles, uphold education in socialist ideology, and promote the communist style of working selflessly for the public. This, in turn, determines the important status and role of the Lei Feng spirit. The great cause of socialism not only calls for attention to economic development and the building of a high degree of material civilization, but also for attention to bringing up people who cherish lofty ideals, have moral integrity, are better educated, and observe discipline and building a high degree of socialist spiritual civilization. These two civilizations "must be developed simultaneously and must promote one another" according to the call of Comrade Jiang Zemin. Learning from the Lei Feng spirit is not only an important part of the building of a socialist spiritual civilization, but also an important condition for promoting the building of a material civilization. The wide spread of the Lei Feng spirit will certainly upgrade people's ideological, political, and cultural level, and improve the work style of the party, the government, and the people. This tremendous spiritual force, if applied by society, will be transformed into a tremendous material force that will boost the common development of the two civilizations and the overall progress of society.

In learning from Lei Feng, even one or two instances of dedication to the people should be praiseworthy, but what is

difficult and valuable is to do this persistently and unremittingly. Fushun City and the Lei Feng Regiment are praiseworthy because they have persisted in learning from Lei Feng for 30 years, and to them 30 years seem like a single day. Therefore, how should we learn from Lei Feng persistently and unremittingly? Judging from the fruitful experiences of many units, the most practical way is to learn from Lei Feng at one's work post. Lei Feng grew up at an ordinary post, where his greatness was created. People living on all fronts and working at any post, as well as cadres, soldiers, workers, peasants, teachers, students, men, women, old people, and young people all can learn from the Lei Feng spirit and do what he did. In our country, all trades and professions are linked to the great objective of socialism and communism, and all posts are a place for serving the people. In learning from Lei Feng, the most important thing is that one should bear the overall interests in mind and do a good job at one's work post, that is, working industriously to achieve better results and dedicate one's efforts and wisdom without reservation at one's work post.

Comrade Jiang Zemin pointed out with deep feeling: "The emergence of a great communist fighter like Lei Feng is the pride not only of the People's Liberation Army, but also of the Chinese people." "His legacy should belong to the whole army, the whole party, and the people all over the country." These words reflect the wishes of the people. The whole party, the whole army, and the people of all nationalities all over the country should be proud of having a hero of the times like Lei Feng! At the same time, we also should be fully aware that inheriting and carrying forward the Lei Feng spirit, this valuable legacy, is our noble responsibility and mission.

Reform of Administrative Structure Viewed

*HK0403123591 Beijing GUANGMING RIBAO
in Chinese 1 Feb 91 p 3*

[Article by Gu Jiaqi (7357 1367 7784): "Carry Out Reform of Administrative Management Structure Vigorously and Prudently"]

[Text] The Seventh Plenum of the 13th CPC Central Committee pointed out: The period between now and the year 2000 is a very crucial one in China's socialist modernization drive. In this decade, further efforts should be made to reform the administrative management structure and coordinate it with socioeconomic development so as to ensure the fulfillment of the strategic objective of China's modernization by the end of this century.

Great Importance of Reform of Administrative Management Structure

Government administrative management structure is an important component part of the political structure. It is also an integration point of the economic and political structures. Reform of the administrative structure occupies a very important position in China's political, economic, and social life.

Administration refers to relevant decisionmaking and to management activities by all working personnel of government departments with the aim of effectively implementing laws and administrative orders through coordinated efforts and certain administrative organizations. Administrative structure is precisely the government's pattern of functions and powers, as well as its method of operations. Reform of the administrative structure is a complicated systems engineering project involving the development law and direction of a socialist country's government functions, the overall disposition of government functions, the rationalization of administrative organization structure, the scientific character of administrative decisionmaking, and the improvement of administration and information and feedback systems, as well as as a series of issues on standardizing administrative conducts, amplifying administrative decrees, and reforming personnel administration. The aim of reforming administrative structure is to make the decisionmaking of governments at all levels more scientific, their operations more coordinated, and their administration more effective, thus ensuring in terms of structure, mechanism, and system that government personnel are clean, honest, and diligent in performing their official duties. Fundamentally speaking, it further ensures that governments at all levels, which serve as the superstructure, can more satisfactorily suit the economic basis and promote the growth of social productive forces.

The administrative management experience and reform practice of many countries show that the administrative structure follows changes in a country's political, economic, and social conditions. In China, due to political, economic, and social development as well as the all-round launching of economic restructuring, the administrative management structure finds it increasingly difficult to adapt to the situation, and some deep-level issues have gradually come to light: The government administrative decisionmaking system and procedure are less than perfect; the government's macroeconomic regulation and controls over the whole society's economic and social activities are weak, while its excessive and overrigid controls over microeconomic activities have affected the independent capacity and vitality of grass-roots units. Administrative decisions have been implemented inefficiently and have even been distorted, while information feedback has been incomplete, slow, and even untrue. There is no standard of administrative conduct and the supervision is weak; unclear definition of duties incumbent on each department and lack of self-coordination and self-regulation mechanisms have affected the government overall functions giving play to their role. The government does not have mechanisms and good systems and statutes to stimulate administrative operations; institutions do not have mechanisms to restrict their expansion; and the personnel pattern of government organs is irrational. Therefore, it is imperative to carry out reform of the administrative structure.

Carrying out reform of the administrative structure is necessary for economic restructuring and development.

With the gradual institution of a new socialist planned commodity economic structure and an economic operation mechanism integrating planned economy with market regulation, there is an objective need to carry out corresponding reform of the administrative structure to converge and suit it and to play a guaranteeing and promoting role. For some time to come, it is urgently necessary to study and straighten out the relationship between the government and enterprises, especially that between the government and large companies and enterprise groups, to suit enterprise reform and strengthen the management of state-owned assets. In keeping with reforms in finance and taxation, banking and currency, and pricing and wages, further efforts should be made to strengthen macroeconomic regulation and control capability, improve the macroeconomic regulation and control mechanism, and straighten out the relationships between planning, financial, banking, and other economic departments. In local institutional reform, necessary adjustments and clear division should be made with regard to the power to handle affairs, the financial power, and the economic regulation and control power according to the principles of preserving the unity and flexibility of the nation's economy and bringing into play the enthusiasm of both central and local authorities.

Comrade Deng Xiaoping pointed out: The aims of political restructuring are "no more than three: First, consolidating the socialist system; second, developing the socialist productive forces, and third, promoting socialist democracy." He also further pointed out: The aims of administrative restructuring are as follows: First, preserving the vitality of the party and state; second, overcoming bureaucratism and raising work efficiency; and third, mobilizing the enthusiasm of workers, peasants, and intellectuals. In line with Comrade Deng Xiaoping's relevant expositions, we should, in carrying out reform of the administrative structure, observe the following principles in terms of guiding thinking:

First, it should help improve and develop China's socialist system. Ours is a socialist state under the leadership of the Communist Party, and carrying out reform of the administrative structure is aimed at bringing into better play the superiority of the socialist system. Fundamentally speaking, this reform means the improvement and development of the socialist system; it is not a "political reform" the Western bourgeoisie wants us to conduct. Like all new-born things, our country's administrative structure has also undergone a process of development from less perfect to comparatively perfect. At first, people did not have an ample understanding of the internal law governing administrative management and therefore their understanding of many issues, such as how its many specific links are established, how to give scope to their role, and how to conduct reform in practice, was often characterized by spontaneity and blindness, which is likely to affect the operation and efficiency of the government machine as a whole and restrict the socialist system from giving full play to its superiority. In recent years, through government institutional reform, we have reformed the administrative

structure, such as changing government functions, which has effectively stimulated socioeconomic development. Practice shows that our socialist system has constantly improved through constant structural reforms.

Second, it should help improve the government's macroeconomic regulation and control system. To attain the sustained, stable, and coordinated development of the Chinese economy, it is necessary to improve the government's macroeconomic regulation and control system. Judging by the situation in our country, the relative shortage of resources and energy, the limited capital and technical forces, the arduous task of controlling population growth, the weak ability of society to organize itself, and the frictions and conflicts of various interests as a result of social changes call for further strengthening government functions and thus effectively regulating and controlling the whole process of modernization. In reforming the administrative structure, we should improve a scientific economic decisionmaking system and give better scope to the governmental role in socioeconomic life in terms of policy guidance and macroeconomic regulation and control.

Third, it should help the overall administrative management system operate in an efficient and coordinated way. The government is an enormous administrative system. It should be flexible, efficient, and coordinated and be responsible to the whole society. We should proceed from the practical conditions in our country and, in keeping with the needs of political, economic, and social development, rationally coordinate the overall functions of governments at all levels, straighten out various relationships, improve the operational mechanism of administrative management, raise the efficiency of government organs, and establish an efficient and coordinated administrative management system which is suited to China's economic and political structures and has Chinese characteristics.

Fourth, it should help forge close ties between the party and government on the one hand and the masses of the people on the other. The purpose of a socialist country's administrative management is to serve the people wholeheartedly and, therefore, it should overcome bureaucratism so that organs at all levels as well as their working personnel strive harder to be clean and honest in performing their official duties and work hard for the people. At present, it is especially necessary to firmly grasp the building of law enforcement, supervision, economic management, and other "forward institutions" which have direct dealings with the people, raise their service levels, and improve the image of the party and government among the masses of the people.

Specific Contents of Reform of Administrative Management Structure

An analysis of the objectives, history, and the present conditions of reform of the administrative structure shows that reform should first be launched in the following aspects:

Continue rationally to coordinate government functions and straighten out relationships. Rationally coordinating

government functions and straightening out relationships among various government departments and governments at all levels is the basis of administrative management. Rational coordination of government functions is in essence the rational distribution of administrative powers.

On the one hand, we should rationally coordinate functions in internal affairs, diplomatic, economic, cultural, and other fields and set up corresponding organs; on the other hand, we should rationally coordinate functions among governments at all levels and, subject to the central government's unified decrees and in line with the principle of unifying authority and responsibility, handle well the relationships between the central and local authorities. In the next few years, we should, in line with the principle of integrating planned economy and market regulation, suit the needs of economic growth and economic restructuring, beef up the functions of the departments in charge of comprehensive economic management and regulation, step up legislation on comprehensive balancing and economic regulation, strengthen the government's macroeconomic regulation and control capability, and improve the macroeconomic regulation and control system. In keeping with the demands of developing social and cultural undertakings, efforts should be made to improve the government's regulation and control functions over educational, scientific, technological, cultural, health, and social welfare undertakings. Moreover, we should continue straightening out various relationships so that all government departments and governments at all levels can operate in a coordinated way; we should correctly handle the relationships between the government on the one hand and enterprises, institutions, and various social organizations on the other. It is necessary rationally to set up advisory, consultant, executive, supervisory, and functional bodies as well as agencies.

Improve the decisionmaking system and put administrative decision-making on a scientific basis. The efficiency of a government finds relatively concentrated expression in its efficiency in making policy decisions. Improving a scientific structure of administrative decision-making is crucial to reform of the administrative structure. In line with the provisions of our country's constitution and laws, we should institute a responsibility system for administrative leaders at all levels, strengthen the responsibility system and, at the same time, make further efforts to put all-level administrative decision-making on a scientific and democratic basis. First, the administrative decisionmaking procedure should be improved. In making a policy decision on a certain major issue, it is usually necessary to undergo the following procedures, i.e., putting forward a policy-making proposal, giving a scientific demonstration, conducting extensive consultations, and holding democratic discussions, and finally an administrative leader will make a policy decision. We should, on the basis of gradually improving the decisionmaking procedures, develop the procedural laws and regulations, and make policy decisions according to the law. Second, policy-making auxiliary bodies should be set up and improved. Government leaders at all levels should gradually set up highly

intelligent advisory bodies and gradually improve non-governmental decisionmaking consultant bodies, and recruit influential, talented experts and academics. It is necessary to bring into full play the advisory and consultant role of decisionmaking auxiliary bodies in providing administrative leaders with optional proposals and scientific demonstrations.

Amplify the administrative executive structure and reinforce the authority of administrative command. The implementation of an administrative policy decision should be accurate, quick, and efficient and efforts should be made to ensure implementation of a correct policy decision. Executive bodies at all levels must faithfully carry out the orders, principles, and policies of the higher authorities, strictly enforce orders and prohibitions, and eliminate the phenomena characterized by government departments at the lower levels going their own ways or "the lower levels adopting measures to counter policies from the higher levels." Moreover, it is necessary to follow the principles of unifying authority and responsibility and setting appropriate management scope in readjusting institutions and streamlining personnel; improve the leadership methods of administrative bodies, clearly define the responsibilities incumbent upon administrative leaders at all levels as well as working personnel, and unify commands and actions to prevent policies from being distorted in the course of their implementation; establish a scientific principle, procedure, and regulation for handling things, stop the phenomena of mutual wrangling and shifting responsibility, and raise the work efficiency of executive bodies; and strengthen the coordinating roles of all levels and departments in the course of policy implementation and raise the capability of administrative organs in dealing with an unexpected situation.

Improve the administrative supervisory structure and strengthen supervision over violations of discipline. The administrative responsibilities of governments at all levels must be clearly defined and administrative discipline strictly enforced. It is necessary to exercise supervision not only over the corrupt behaviors of administrative personnel but also over overstepping of authority and dereliction of duties on the part of administrative organs at all levels and their leaders to ensure that they are honest and clean in performing their official duties and work hard for the people.

It is necessary to define from one level to another the duties and limits of authorities of administrative organs at all levels, work out regulations on the conduct of administrative personnel, and gradually establish an administrative order of administering according to the law and handling things according to rules and regulations. It is necessary to institute a complete administrative supervision system, especially an administrative discipline supervision system, perfect the administrative penalty legislation and, through such methods as self-supervision by administrative organs, inspection and supervision by supervisory departments, and accusations brought by people, seriously and conscientiously

investigate and punish violations of the law. Efforts should be made to reinforce supervisory departments and straighten out their relationships, especially those between party discipline, administrative discipline, and auditing departments, so that they can work in coordination with one another, and establish an effective supervision system.

Improve the work of "forward institutions" and forge close ties between the government and the people. Among government departments, the law-enforcement, supervisory, economic management, and other grass-roots government organs, which often have dealings with the masses of the people, serve as "windows" through which the people understand the government. They are also the government's "forward institutions" serving the people. All their acts are closely related to the people. The government's work achievements and image are reflected through their work. Therefore, vigorous efforts should be made to rectify their work style, improve their work method, and standardize their work rules and administrative conduct. First, it is necessary to define their work, duties, and bases for handling things, gradually perfect corresponding legislation, handle things according to the legislation, combine it with the administrative procedural law already promulgated, curb in terms of structure the practice of taking advantage of one's position to seek personal gain and other unhealthy tendencies, and promote the building of a clean, honest, and diligent government. Second, it is necessary to simplify the working procedure of "forward institutions" and set strict time limits for their work in order to thoroughly change the situation characterized by the "difficulties in getting things done." Third, all working systems of "forward institutions" should be made public and supervision by the masses of the people strengthened.

Standardize administrative conducts and speed up administrative management legislation. All activities in exercising administrative powers, including the implementation of government decrees and the management of public affairs, are administrative conducts. Standardizing administrative conducts is a basic requirement for achieving the coordinated operation of the administrative management system. The government's administrative conducts are not the voluntary conducts of an individual public servant but are the conducts of an organization or collective. They have various links, affect one another, and even have a connected role. Therefore, we should establish and amplify relevant laws, statutes, and rules to standardize government conducts and to avoid, in terms of administrative management, voluntariness in administrative management. We should speed up legislation on the functions, organs, and authorized sizes of government administrative organizations at all levels, improve the organization laws governing the State Council and the local governments at all levels, formulate a law governing the authorized sizes of government organs and, on the basis of "three fixing" [san ding 0005 1353] plans by various departments, work out an organization law governing these departments. The standardization and institutionalization of basic operational procedures for administrative organizations should be stepped up, and the relevant

laws and regulations on government organizational setup, decisionmaking procedure, modes of leadership between higher and lower levels, and coordinated relationships among various departments should be amplified. It is necessary to step up the building of various rules and regulations within the government and improve the systems under which all levels and departments hold meetings, ask for instructions, and report to the higher authorities, and the leaders responsibility system, which have a direct bearing on the standard for routine administrative conducts.

Improve the operational mechanism of administrative management. The operational mechanism of administrative management refers to the structure and basic operational function of administrative organizations. Through reform of the administrative structure we should promote the establishment of organic links among various administrative departments and ensure the benign operations of the administrative management structure as a whole. To this end, it is necessary to do the following: First, improve the coordination mechanism. Frequently, a lot of government organs' official business cannot be completed by one department alone. It is necessary to improve the coordination mechanism among all departments so that they can coordinate with each other. Second, improve the incentive mechanism. It is necessary to establish a complete set of systems and methods to boost the subjective activity of government personnel. It is necessary to closely link the work performance of each person with his honor or disgrace, promotion or demotion and to create the necessary work conditions and environment for them. Third, improve the mechanism for restricting government organs at all levels. It is necessary to integrate management of institutional establishment with budget management as well as management of expenses by government organs and apply economic means to restrict unplanned expansion of institutional establishment.

Li Peng Discusses Developing Tourist Trade

HK0503073991 Beijing XINHUA Domestic Service
in Chinese 0218 GMT 5 Mar 91

[Report by correspondent Chen Yun (7115 5366): "Li Peng Stresses the Importance of Developing Tourism"—XINHUA headline]

[Text] Beijing, 3 Mar (XINHUA)—After hearing a work report given by the National Tourism Administration the other day, State Council Premier Li Peng said: The tourist trade is one of the tertiary industry's major items, and fairly great development is expected in this field during the Eighth Five-Year Plan. Particular efforts should be made to put domestic tourism on the agenda and to work out appropriate plans.

Li Peng indicated: Having reversed its downward course, our country's tourist trade has been restored to the 1988 level, and a total of \$2.22 billion in foreign exchange was earned through tourism last year, which was better than expected. This is not only attributable to our internal

political, economic, and social stability, and the enhancement in our country's prestige, but also is inseparable from the efforts of the vast numbers of cadres, workers, and staff members in tourist sectors. Therefore, I wish to express my appreciation to all workers and staff members working in the tourist trade for their efforts.

Li Peng said: By developing tourism, we not only can earn foreign exchange, but also can promote our contacts with the world and further the Chinese people's mutual understanding and friendship with people all over the world. Developing tourism is a component of the policy of reform and opening up, which is economically and politically significant. China's abundant tourist resources are awaiting further exploitation and utilization.

When discussing the prospects for tourism, Li Peng said that domestic tourism has great potential for further development. With the enhancement of living standards, our people are demanding more and more from tourism. What we will bring under control is traveling at state expense. If people travel at their own expense, they should not be restricted, but vigorously guided. The Tourism Administration should make studies in this aspect and work out policies accordingly. Development in domestic tourism should be suited to the Chinese people's consumption level, and it is necessary to provide them with good and handy services at low cost.

Li Peng indicated: Vigorous efforts should be made to promote tourist commodities, for there is great potential in this field. It is necessary to call together specialists, scholars, and craftsmen in tourist commodities for a seminar on the development of such commodities.

In conclusion, Li Peng said: The general principle of developing tourism should be to have tourism support itself, that is, tourist departments should rely on their own efforts to bring about further development in tourism. Undoubtedly, the state also will work out some policies for them, and with such policies, tourist departments should make proper use of money so as to ensure faster development and to enable tourism to follow a steady upward course.

Tiananmen Monument Scheduled for Maintenance

OW0503142091 Beijing XINHUA in English
1342 GMT 5 Mar 91

[Text] Beijing, March 5 (XINHUA)—The managing committee of the Tiananmen Square area recently told reporters that a maintenance program is scheduled for the Monument to the People's Heroes in Beijing's Tiananmen Square.

The decision to construct the monument was made at the first session of the first Chinese People's Political Consultative Conference on September 30, 1949. Construction began in August 1952 and was completed in April 1958. The monument was unveiled at a public ceremony on May 1, 1958.

Over the more than 30 years the surface of the monument has been exposed to the sun and wind, and has suffered wear and tear innocently inflicted by millions of admiring visitors. However, no large-scale repair has taken place since the monument was constructed.

The scheduled maintenance program will be in accordance with the original architectural design, and any stone or marble required will be transported from the original quarry.

The maintenance program is scheduled to be completed by May 1, 1991.

Leaders Greet Start of Friendship Society

OW0103203491 Beijing XINHUA Domestic Service
in Chinese 1501 GMT 1 Mar 91

[Text] Beijing, Mar 1 (XINHUA)—The China Society for People's Friendship Studies (PFS) was established here today.

The society is set up on the basis of the reorganization and expansion of the Smedley-Snow-Strong Society of China (3-S Society).

The PFS Society focuses on international friends in various spheres who have made significant contributions to the cause of China's revolution and construction since the 1920's.

The purpose of the PFS Society is to study and publicize the activities and writings of such international friends, so that their "excellent qualities and devotion" will perpetuate and help promote understanding, friendship, and cooperation between the peoples of China and other countries.

Chinese Communist Party General-Secretary Jiang Zemin, President Yang Shangkun, and Comrade Deng Yingchao voiced their encouragement and congratulations for the establishment of the society.

Jiang wrote: "Congratulations on the establishment of the society and paving the road and bridging the friendship between peoples in various countries."

Yang said in his written congratulatory address that in each period of China's contemporary history, there were numerous international friends who sympathized with and supported the Chinese people in their revolution and construction. They have made outstanding contributions, he said, adding that some even sacrificed their lives for China.

Fine sons and daughters of many countries, they are highly esteemed and beloved by the Chinese people, Yang said.

Yang also expressed his hope that the Chinese people, the younger generation in particular, will learn from the example of these international friends, uphold the heritage of the Chinese revolution, dedicate themselves to the great ideals of socialism and communism, display

patriotism and internationalism, and work for the prosperity of China, the happiness of the Chinese people, and the cause of human progress.

Deng Yingchao stressed, "We must never forget our international friends' precious sentiments for the Chinese people. We must educate our younger generations to esteem and love them forever, and to learn from their example."

Present at today's ceremony were Seypidin Aizezi, Lei Jieqiong, Gu Mu, Zhao Puchu, Cheng Siyuan, and Chu Tunan, as well as responsible persons from party and government departments at the central level, responsible persons from people's friendship organizations in the capital, and public figures from all circles, numbering more than 300 in total. Also present were some foreign friends in Beijing.

During the ceremony, Deng Yingchao was elected honorary president of the society, while Wang Zhen, Wu Xuquan, Chu Tunan, Lei Jieqiong, and Zhao Puchu were elected honorary vice-presidents.

Huang Hua was elected president of the society, and Israel Epstein, Ling Qing, Wu Weiran, Wang Nai and Gao Liang were elected vice-presidents. Han Xu was elected to the post of general advisor.

President Huang made an opening address at the ceremony while Epstein talked about the future of the society in his speech.

The society, in cooperation with 15 Beijing and local Chinese and foreign languages publishing houses, will publish a series of books entitled "the international friends series."

An inaugural ceremony for the release of ten volumes of the first part of the series was also held on the occasion.

'Bourgeois-Liberal' Elements Reportedly Purged

HK0203012491 Hong Kong HONGKONG STANDARD
in English 2 Mar 91 p 8

[By Cheung Po-ling]

[Text] Gao Di, the director of the official mouthpiece PEOPLE'S DAILY, has redoubled his efforts to purge unfaithful and bourgeois-liberal elements from the paper.

In the latest house-cleaning move this week, three deputy editors-in-chief have been pressed to leave their posts, informed sources said.

Two of them—Lu Chaoqi, 66, and Fan Rongkang, 62—were forced to retire.

Another deputy editor-in-chief, Yu Huanchun, 56, who is also the chief editor of the overseas edition of the PEOPLE'S DAILY, was asked to leave Beijing and go to Sichuan province where he will be assigned a new job.

Sources said Mr Yu was told that it was a decision made by the central authorities in compliance with the party's policy of "personnel exchanges".

In a party membership re-registration drive last year, Mr Lu was ordered to be placed on probation in the party while Mr Fan was given a "severe warning", and Mr Yu a "warning", for mistakes committed during the pro-democracy movement in 1989.

The three editors were accused of showing sympathy towards the students when handling the press coverage of the pro-democracy demonstrations in 1989.

The sources said the next batch who would be expelled from the paper and assigned to work in other provinces included another deputy editor-in-chief, Li Renchen, and about 20 section heads.

Prior to the June 4 crackdown, the Central Organisation Department issued a document stating that junior cadres who graduated after 1985 must be sent to grassroots units for a one-year training stint before they were allowed to work in Beijing.

In the new round of purge against the young reporters and editors who failed to correct their "ideological mistakes", Mr Gao has fully made use of the document to send the unwanted staffers to other provinces.

He even instructed that those failed to perform well in the grassroots units would be deprived of the chance to return to Beijing.

The sources said the wife of famous dissident writer Wang Ruoshui, Feng Yuan, who is a journalist of the paper, was likely to get this treatment.

Shortly after Mr Gao, who is an army propaganda officer, took over the helm of the PEOPLE'S DAILY in June 1989, he tried to get rid of "evil influences" left behind by his predecessors.

In a speech last November, he reiterated the need to dismiss those who practise bourgeois liberalisation from leading posts on the paper.

"Before I step down from the present post, anybody who disagreed with the editorial policy of the party...must leave the PEOPLE'S DAILY," Mr Gao said.

Marxists Reportedly Head Writers' Association

HK0503015491 Hong Kong SOUTH CHINA MORNING POST in English 5 Mar 91 p 10

[By Willy Wo-lap Lam]

[Text] Marxist ideologues in the Chinese Communist Party are making plans to consolidate their positions in the culture and propaganda arena.

Chinese sources said yesterday the acting Culture Minister He Jingzhi is lobbying to become chairman of the China Writers' Association (CWA), the country's most prestigious artistic position.

He, 67, a leftist poet who was a personal friend of Mao Zedong, succeeded liberal novelist, Wang Meng, as head of the Culture Ministry soon after the Tiananmen Square massacre.

However, because of his age, He, who won the Stalin Art Prize in 1951, cannot be confirmed as minister.

The sources said Mr He had been eyeing the CWA post for a long time because that position does not have any retirement requirements.

The incumbent president, Ba Jin, 87, is a world-renowned novelist famous for his boldness in criticising the excesses of Mao and other ultra-radical commissars.

Recently, two of He's chief lieutenants, Mr Ma Feng and Mr Malqinhu, both senior CWA executives, wrote to Ba, hinting it was time that the Shanghai-based author retired.

"Ma and Malqinhu told Ba they were glad that in spite of his advanced age, his health was satisfactory," a source said.

"The two further noted that should Ba want to retain his chairmanship for another term, they would offer to get the approval of party authorities for him."

The missive, which has been interpreted as a circuitous way to ask Ba to step down at the CWA congress, scheduled for mid-year, has aroused widespread indignation in cultural circles.

After the June 4 massacre, the bulk of positions in the culture and propaganda arena have been occupied by conservative ideologues. And liberal officials and artists are anxious that Ba hold on to his position.

Encouraged by his friends, Ba, who had in private criticised the ongoing campaign against bourgeois liberalisation, has refused to reply to the letter.

Recently, however, He, whose other positions include vice-chief of the Communist Party's Propaganda Department and director of the journal CREAM OF CHINA, has gained the additional posting of president of the prestigious Lu Xun Literary Academy.

In a related development, party elder Mr Deng Liqun, a member of the Central Advisory Commission, and ally of He, has also been scheming to expand his influence.

Mr Deng, who in 1987 had lost most of his party positions, including propaganda chief, recently failed to make a comeback into the policy-setting Central Committee Secretariat because of an injunction by patriarch, Mr Deng Xiaoping, that "comrades who have retired should not return to the front line".

However, in the past weeks, senior cadres in cultural and media circles have been disseminating a speech that Mr Deng Liqun had made in a cultural conference in Xian in December.

Mr Deng Liqun said Mao was right in launching the Cultural Revolution to weed out a nascent capitalist class in the upper echelon of the party.

"There is indeed a capitalist enclave in the upper reaches of the party," he said. "For example, (ousted party chief) Zhao Ziyang is a thorough capitalistic roader."

He said the Cultural Revolution became an aberration only because it went beyond the goal originally conceived by Mao.

XINHUA Profiles Director of Historical Operas

OW0503060891 Beijing XINHUA in English
0522 GMT 5 Mar 91

[Text] Hefei, March 5 (XINHUA)—The latest issue of China's most influential theatrical magazine, "POPULAR T.V.", highly praised three theatrical T.V. series based on historical themes, describing them as excellent examples in the reform of traditional local operas.

The three noted T.V. series were all directed by Hu Liancui, a first-class directress at east China's Anhui Provincial television station.

"It is a reward for my 20 years of effort," Hu said.

The directress graduated from the Department of Arts at Anhui Teachers University in the 1950s and moved to film and television direction in the early 1970s. She has made a bold reform of traditional opera in recent years.

When Hu's first T.V. series, "The West Chamber" was staged four years ago, it caused a great stir among artists on China's mainland. They split into two opposing views. Some artists deemed Hu's works of vital importance to the rejuvenation of theatrical drama; the remaining said it was nondescript.

"The West Chamber" is one of the most famous classical dramas from imperial China. In the story, a poor scholar, named Zhang Sheng, meets Yingying, a prime minister's daughter, on his way to take an imperial exam. The two fall in love immediately. However, Yingying's mother objects to the notion of marriage because of the feudal sense of hierarchy and customs.

Many local opera troupes had staged adapted versions of the drama before Hu, but their adaptations drew little attention from the Chinese audience.

In an attempt to capture the interest of more people, Hu decided to replace the traditional music accompaniment of gongs and drums with electronic music. In addition, she transcribed the local dialect, traditionally used in performances, into standard Chinese pronunciation and introduced modern film-making techniques to speed up the rhythm of the historical themes.

After the T.V. series was broadcast, Hu received at least a dozen letters a day from readers across China. More than 80 percent of the mail came from young viewers.

Zhang Guohuan, a young farmer from east China's Anhui Province, wrote in his letter: "The West Chamber is the first traditional opera that I have watched from the beginning to the end. It is very interesting, entertaining and easy to understand."

"The three generations of my family enjoyed themselves for different reasons," he added.

In the following year, the T.V. series won the "Original Award", voted by movie-lovers, and the "Golden Triangle Award", China's equivalent to the Academy Awards.

Due to the influence of the modern arts and recreational activities, especially film and television, and due to certain aspects of the art itself, interest in local operas has been on the decline in recent years. As the audiences began to decline, a large number of opera performers sought other forms of livelihood. This situation led some people to contend that local opera in China was on the verge of extinction.

In view of the situation, Hu said, "The key to drawing larger audiences to local operas based on traditional themes is to make the dramas closer to life through modern artistic means while considering the aesthetic standards of different audiences."

Inspired by her first experience, Hu directed another drama T.V. series which described the wild love between Zhu Xi, an idealist philosopher who, after Confucius and Mencius, exercised the greatest influence in feudal times, and his woman disciple.

The series became the only winner of the academic "Golden Eagle Award" and the popular "Feitian (flying to the sky) Award" in 1989 and in 1990, respectively.

The minister of radio, film and television acclaimed the series entitled "Zhu Xi and Maid Li Niang" as China's most outstanding T.V. series for 1990. Before long, film-makers from Japan, Singapore, Malaysia, the United States and Hong Kong rushed to purchase copies of the "West Chamber" and "Zhu Xi and Maid Li Niang".

Many Chinese film experts said that Hu brought new hope to the declining local opera. So far, many film and television directors in China began to use Hu's experience as a reference source.

Moreover, in April last year, six national artistic organizations jointly sponsored a seminar on Hu's method of directing.

The 55-year-old directress attributed half of her success to her mother, a house wife, and her husband, a government official.

"They took on all the household chores allowing me to devote myself to my work," she said.

Hu's favorite pastime is listening to popular songs. She revealed that she thinks popular songs are the best reflection of ordinary life.

Hu is not intoxicated with self-satisfaction. She said, "Tireless creation is very important for a real artist."

She plans to present the Chinese audience with another historical drama—"The Peach Blossom Fan", which is based on the patriotism of a girl singer at the end of the Ming Dynasty, a critical period in China's history.

Jiang Zemin, Others Mourn Deceased Comrade

*OW0603134791 Beijing Domestic Service
in Mandarin 2230 GMT 4 Mar 91*

[From the "News and Press Review" program]

[Text] A ceremony for paying last respects to Comrade Jiang Yonghui's remains was held in Shenyang on 4 March. Comrade Jiang Yonghui, member of the Central Advisory Commission and former commander of the Fuzhou Military Region, died of illness in Shenyang on 13 February at the age of 74.

Wreaths for the ceremony were sent by Jiang Zemin, Yang Shangkun, Li Peng, Peng Zhen, Nie Rongzhen, Qiao Shi, Yao Yilin, Li Ruihuan, Qin Jiwei, Liu Huaqing, and Yang Baibing.

Peng Zhen, Yang Baibing Honor Late Xiao Feng

*OW0503101591 Beijing XINHUA Domestic Service
in Chinese 2126 GMT 2 Mar 91*

[Excerpt] Beijing, 2 March (XINHUA)—Comrade Xiao Feng, former deputy commander of Beijing Military Region Armored Corps and renowned for his *Long March Diary*, died in Beijing on 3 February, at the age of 75.

The funeral service for Comrade Xiao Feng was held on 26 February at the auditorium of Beijing's Babaoshan Cemetery for Fallen Revolutionaries. Peng Zhen, Nie Rongzhen, Yang Baibing, Li Desheng, Yang Dezhi, Xiao Ke, Song Shilun, Zhang Aiping, Geng Biao, and Ye Fei; the Central Military Commission; the Ministry of National Defense; the People's Liberation Army General Staff, General Political, and General Logistics Departments; the Discipline Inspection Commission of the Central Military Commission; the Beijing Military Region CPC Committee; the Jiangxi Provincial CPC Committee; and leading organs from Comrade Xiao Feng's native prefecture and county sent wreaths. Wang Ping and Chen Pixian were present at the funeral service. [passage omitted]

Yang Shangkun Writes Inscription for Library

*OW0503025991 Beijing XINHUA Domestic Service
in Chinese 1002 GMT 3 Mar 91*

[By reporter Chen Wanwen (7115 1238 7186)]

[Text] Guangzhou, 3 Mar (XINHUA)—The Meixian Jianying Library in Meizhou City, Guangdong, which has an inscription by President Yang Shangkun, has been completed, and a ribbon-cutting opening ceremony was held today.

Meixian County, Meizhou City, is the hometown of the late Marshal Ye Jianying and has long been reputed as "the township of culture."

Meixian Jianying Library is a public library in garden style, with an area of 13,500 square meters. It consists of three buildings, having a total area of 5,800 square meters. It can house more than 600,000 books and accommodate 1,000 readers daily. It has a large reading hall, which is named after the late General Deng Zhongyuan, a former virtuous person in Meixian County, and an exhibition hall for displaying the writings and compilations of virtuous Hakkas of Meixian County through the ages.

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*HK0503084791 Beijing RENMIN RIBAO in Chinese
28 Feb 91 p 6*

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Article by Fu Xishou: "Establish and Perfect a Rural Socialized Service System"

Article by Liu Zhenhua: "Grasp the Essence of Lei Feng Spirit, Carry Out Learn-From-Lei-Feng Activities in an Intensive and Sustained Way"

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Article by Chen Shuimu: "Establish Correct Cost Consciousness"

Science & Technology

Science Reforms To Promote Economic Development

OW0403133991 Beijing XINHUA in English
1252 GMT 4 Mar 91

[Text] Beijing, March 4 (XINHUA)—The current reforms in science and technology in China will be deepened in the 1990s in order to ensure continued implementation of related state policies and to usher in a new scientific and technological system by the end of this century.

Li Xue, deputy minister of the State Commission for Science and Technology, stressed here today that the future goal of system reform in science and technology is to make science and technology in China better serve and promote national economic development.

Uniform planning in science and technology and rational distribution of research will be strengthened in the field of economic construction, high-technology and basic research in the next five years, Li noted.

He said that technological markets will be developed to promote the application of science and technology to the economy. A competitive social system with state planning and market regulation should be set up across the country, he said.

The deputy minister noted that China's scientific and technological institutions should adopt various forms and be multifunctional. Their contributions to economic and social development should be an important standard in evaluating their performances.

He disclosed that in the next five years the state will mainly support some key state-level research institutions, and the State Commission of Science and Technology is to take important steps to enhance the vitality of research institutes in China.

Among the forthcoming measures he disclosed are granting foreign trade rights to key state-level research institutions and encouraging institutes to open overseas joint-ventures.

Further on Goals for Advancement

OW0403134291 Beijing XINHUA in English
1256 GMT 4 Mar 91

[Text] Beijing, March 4 (XINHUA)—Five-year goals for the advancement of China's science and technology were outlined here today, covering key scientific and technological projects, high technology, basic research, and application of science and technology to agriculture.

At a national meeting attended by local officials in charge of science and technology which began today, Li Xue, vice-minister in charge of the State Commission for Science and Technology, said that his commission would tackle major scientific and technological problems in agriculture and social development during the Eighth Five-Year Plan period (1991-1995).

Crops, livestock and poultry breeding and comprehensive development of medium- and low-yielding farmland would be agricultural priorities in the next five years, Li said, adding that new products, materials and energy, biological engineering and computer software would be on the agenda for China's industrial promotion.

During the period crucial technical problems should be tackled in state high-tech projects, he said.

The state input into basic research, Li noted, would increase gradually and would be used mainly in 79 priority research fields covering 15 branches of learning.

Agro-technology will be boosted in the next five years by a national network composed of 300 key industrial departments and 100 regional comprehensive development projects, Li said. Another 100 sets of equipment with advanced technologies will be developed, he added.

The "Torch Plan", aimed at promoting China's high technology, will focus on the construction of hi-tech development zones and commercialization of hi-tech achievements, Li said. The annual product value of hi-tech industry in China is expected to top 50 billion yuan in 1995 and 120 billion yuan by the end of this century.

The spread and application of scientific and technological achievements, as well as the training of related personnel in the fields of science and technology will also be stressed in the five-year plan, according to the vice-minister.

Development of Nuclear Energy Industry Urged

HK0503095991 Beijing JINGJI RIBAO in Chinese
7 Feb 91 p 1

[Article by staff reporter Wang Xiaoxiong (3769 2556 7160): "China Must Pay Close Attention to Nuclear Energy Production"]

[Text] Most Chinese over 30 can still remember how gratified and excited the Chinese were when they saw the mushroom cloud rising from the Gobi Desert in the Northwest in October 1964. The success of the atomic bomb test explosion marked China's joining the club of nuclear powers. It was at that time that the Chinese began to consider the application of nuclear energy to economic construction.

The discovery of nuclear energy is an important milestone in mankind's cognition of nature. Between the autumn of 1938 and early 1939, scientists proved that the atomic nucleus of uranium can fission and at the same time release enormous energy. The great scientist Einstein predicted at that time that nuclear energy would become an important source of energy in the future. Although the discovery of nuclear energy first led to the manufacture of atomic bombs which were used in war, efforts to promote the peaceful use of nuclear energy have been continuing on the earth for the past several decades. In 1951, experiments on the use of nuclear energy to generate electric power began. So far more than 400 commercial nuclear power reactors have been built

and are operating in more than 20 countries, and nuclear power now accounts for 17 percent of the world's total generated power.

China once proudly ranked among other members of the nuclear power club. Today, however, China's position as a nuclear power is being challenged, since this country is not operating any nuclear power plants. Nowadays, nuclear power has been widely used as a clean and economic energy source in developed countries. The United States, France, the Soviet Union, and Japan are leading others in terms of the volume of generated nuclear electric power. At present, more than 120 [as published] nuclear reactors are operating or being built in the United States, and their total installed capacity is 100 million kilowatt-hours. When we look around, we are surprised to find that nuclear power has accounted for more than 60 percent of South Korea's generated power, and the country's installed nuclear power generating capacity exceeds 6 million kilowatts; that six nuclear reactors are operating in our Taiwan Province, where nuclear power accounts for 40 percent of the total generated power; and that both India and Pakistan also have their own nuclear power plants. Nuclear power is also serving as an ample source of energy in Eastern Europe and South America....

Energy is the lifeline of the world today. The massive war currently being waged in the Gulf region is, to a large extent, a war for oil. Among the many kinds of energy resources, nuclear energy is the one of the highest quality, but it is also the one most difficult to control and most closely linked with future development. People are now wondering what will be the new source of energy when petroleum and coal as energy resources are exhausted. Some people have predicted that mankind will live in an age of nuclear energy, after the ages of firewood, coal, and petroleum.

China has always paid close attention to nuclear energy. On 8 February 1970, Premier Zhou Enlai personally instructed that "it is necessary for China to develop its nuclear power industry." After that, nuclear energy was put on the order of the day; however, because of so many twists and turns and of the excessively heavy burden on China, we wasted more than 10 years without making any progress in this respect.

In 1982, China officially announced its plan to build the Qinshan nuclear power plant project on its own and to build the Daya Bay nuclear power plant with imported equipment and technology. This announcement drew world attention and was applauded by overseas Chinese. A nuclear scientist from Hong Kong, after visiting the Qinshan nuclear power plant construction site, wrote down a remark: "The Pride of the Chinese."

Although the projects have aroused enthusiastic reaction abroad, opinions on the plan to develop nuclear energy vary at home. Since the construction of nuclear power plants involves considerable investment, a long construction period, extremely high technical standards, and, in addition, the security problem, it is normal that the projects should create doubts. By the way, China has

very rich coal and water power resources; should we devote more efforts to nuclear energy while our conventional energy resources have not been well exploited? Studies made by experts from various points of view have given an affirmative answer:

—In terms of the distribution of energy resources, in China, as in other countries with vast territories, the distribution of energy resources is unbalanced in different parts of the country: 70 percent of water resources concentrates in the Southwest; and, although China abounds in coal, the distribution is very uneven. If we take the Beijing-Guangzhou railway as a longitudinal line and the line linking Qin Ling and the Dabie Shan as a latitudinal line, and divide the country into four parts with these two lines, we find that the half to the east of the longitudinal line has only 15 percent of the country's coal reserves; the half to the south of the latitudinal line has only 6 percent of the reserves; while the southeastern quarter—namely, the southeastern coastal zone, has a terribly small share of the reserves. This last quarter, however, is where China's most economically developed golden belt lies. This is the front for reform and opening up, and the nuclear power industry should first be developed there.

—A 1-million-kw pressurized-water reactor nuclear power plant consumes only 30 metric tons of nuclear fuel a year, while a coal-fueled thermal power plant of the same size consumes 1 million metric tons of coal a year. The fact that the amount of fuel consumed by a nuclear power plant is 100,000 times less than that of a thermal power plant makes it possible to save a considerable coal transport capacity and a great deal of investment in the construction and operation of coal mines as well. Therefore, although the costs for the construction of a nuclear power plant are high, the costs for its operation will be lower than those for a coal-fueled power plant.

—The nuclear power plant does not produce carbon dioxide, dust, or other harmful materials and does not pollute the environment; therefore nuclear power is the cleanest energy source. Articles published abroad point out that environmental protection activists are now faced with a dilemma regarding the nuclear energy issue—as far as "nuclear threat" is concerned, they oppose nuclear energy; but, as far as the purification of the environment is concerned, they cannot but choose nuclear energy.

In its proposal on the 10-Year Program and the Eighth Five-Year Plan, the CPC Central Committee expressly laid down the principle for "moderate development of the nuclear power industry." The Nuclear Power Industry Corporation has translated this principle into a concrete plan—namely, the target to build up an installed nuclear power generating capacity of 6 million kw by the turn of the century. In other words, after the completion of the 300,000-kw Qinshan nuclear power plant and the 2 x 900,000-kw Daya Bay nuclear power plant, China will build more nuclear power plants to further expand its installed nuclear power generating capacity by twice as much as the sum of the capacity of the two power plants currently under construction.

The nuclear power plant is a product of high technology, the construction of which requires a powerful industrial supporting system and a high standard of construction and operational management. Today only a very few countries can design and build nuclear power plants on their own.

Now China's contingent of nuclear industry technical personnel has marched out from the mountains in the hinterland and started building nuclear power plants right at the doors of the country. As the saying goes, they are "turning swords into plowshares." They are undertaking a great and exciting cause and effecting a difficult switchover. The documents drafted to ensure the construction quality of the nuclear power plant project alone pile up like a small hill. The nuclear power plant builders are trying to learn a host of things that they were not familiar with before and are working very hard to master the nuclear energy technology.

There are no industrial construction projects in the world that are subject to as many limitations by public opinion as the nuclear power plant project. In a sense of humor, Einstein predicted that the fate of nuclear energy would be determined at an "open-air bazaar." After the Chernobyl accident in the Soviet Union, some countries which had vigorously developed nuclear power have given up their nuclear power development plans under the pressure of public opinion; however, more countries are taking action to implement their nuclear power development plans. All the authorities implementing their nuclear power plans have devoted much energy to extensive propaganda campaigns. In Japan, which is the only country in the world that has ever suffered from the nuclear weapon, although some people are strongly opposed to nuclear power, the rapid development of the industry has not been slowed down. In that country, almost every nuclear power plant is accompanied by an exhibition center that is set up to acquaint the public with the nuclear power generating process and the nuclear safety procedures. For example, the Kashiwazaki-Kiriwa exhibition center in Nigata can entertain 150,000 visitors a year. In China, propaganda and education on nuclear energy should also be made an important part of the efforts to develop the nuclear energy industry, so that this branch of the energy industry will become more acceptable among the public through the spread of scientific and technological knowledge.

The Chinese have achieved success in conquering nuclear energy; therefore, they should be able to lead in the vast field of peaceful use of nuclear energy. A few years ago, we encountered some difficulties in fixing the construction sites for the Qinshan and Daya Bay nuclear power plant projects. Because of nuclear-phobia, some people absolutely reject nuclear energy. But now, in China, more than 10 provinces and municipalities have applied to develop the nuclear power industry, eagerly looking forward to development of nuclear power as a means to ease the power shortage. The strategic significance of the use of nuclear energy has been seen by more and more people.

Paying close attention to and mastering nuclear energy, that would be a valuable gift we could present to China at the turn of the century.

Major Science, Technology Achievements Announced

OW0303182791 Beijing XINHUA Domestic Service
in Chinese 1510 GMT 28 Feb 91

[Text] Beijing, 28 Feb (XINHUA)—Results of the selection of 10 major achievements in electronic science and technology during the Seventh Five-Year Plan period were announced recently in Beijing. The achievements include such outstanding electronic products as super-class minicomputers of the Taiji-2000 series.

The selection of these major achievements was an event co-sponsored by the Science and Technology Department of the Ministry of Machine-Building and Electronics Industry and ZHONGGUO DIANZI BAO [China Electronics News]. They were selected from among 1,173 winners of awards at and above the ministerial level for advances in electronic science and technology during the Seventh Five-Year Plan period. The criterion for selection was that they must be leading achievements in their specialized fields with relatively great benefits to society, and they must play a significant role in promoting the development of the electronics industry.

Take the Taiji-2000 series super-class minicomputer as an example. Its performance is equal to advanced world levels. During the Seventh Five-Year Period, our country produced some 1,000 such minicomputers, valued at more than 250 million yuan. They met the urgent needs of industry, agriculture, petroleum engineering, mineral prospecting, communications, transportation, and national defense.

The other nine achievements are: a gallium arsenide super-high-speed integrated circuits; a single-chip low-noise amplifier; a high-energy ion implanter; the Huasheng-4000 series project work station; the 0500 series 32-digit high-performance microcomputer; a ship-borne integrated microwave monitoring and control system; a digital scattering microwave refile communications system project [shu zi san she wei bo jie li tong xin xi tong gong cheng 2422 1316 2414 1410 1792 3134 2234 0500 6639 0207 4762 4827 1562 4453]; a technique for reducing the jogging in positive speed adjustment for packet data exchange networks [fen zu shu ju jiao huan wang zheng ma su tiao zheng jian xiao dou dong ji shu 0433 4809 2422 2207 0074 2255 4986 2973 4316 6643 6148 2419 3253 1420 2122 0520 2111 2611]; and the number one air traffic control system.

It is reported that such a selection of achievements in electronic science and technology will be held once a year.

Military

Yang Baibing Stresses Party's Absolute Leadership

OW0503143891 Beijing XINHUA Domestic Service
in Chinese 1003 GMT 5 Mar 91

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 5 Mar (XINHUA)—Yang Baibing, secretary general of the Central Military Commission and director of the People's Liberation Army [PLA] General Political Department, spoke at a meeting held by the office of the department today on studying and implementing regulations on political work. He stressed: It is imperative to firmly grasp the central idea of guaranteeing the party's absolute leadership over the Army in conscientiously studying and implementing the regulations on political work in a down-to-earth manner.

With the approval of the Central Military Commission, the new "Regulations on Political Work of the Chinese PLA" were formally promulgated for implementation by the whole army on 1 January 1991. This is a major event in the Army's political work. The General Political Department held the meeting today to especially work out arrangements for in-depth study and implementation of the Regulations on Political Work.

In his speech, Yang Baibing said: The Regulations on Political Work is a basic law governing political work in the Army, provides comprehensive deliberation and clear stipulations regarding the position and role of the Army's political work, and its nature and tasks, principles, organizational structure, systems of functions, and major relations that should be properly handled. Implementation of the regulations is of great importance and far-reaching significance in strengthening and improving the Army's political work, ensuring the party's absolute leadership, and enhancing the combat capability of troops.

Discussing ways of recognizing salient characteristics of the Regulations on Political Work, Yang Baibing said: The Regulations on Political Work embodies the basic law and objective demand of army building in a relatively peaceful time; the line, principles, and policies adopted by the party and the relevant instructions issued by the party Central Committee and the Central Military Commission since the Third Plenum of the 11th CPC Central Committee; the historical inheritance of the fine traditions in the political work of the party and the Army; the new achievements and experiences in the Army's political work in the new period; and the well-knit and systematic structure required of a legal document.

Yang Baibing emphatically pointed out: In the course of study and implementation, it is necessary to thoroughly comprehend the central idea of guaranteeing the party's absolute leadership over the Army. Without understanding this principle, it will be impossible to grasp the key link of study and implementation, leading to alienation from the most prominent reality in army building under the new situation. The Army was founded and is led by the CPC, and

it is armed with Marxism-Leninism-Mao Zedong Thought. Devoid of the party's leadership, the people's Army and its political work would cease to exist. Based on the international and domestic situation facing the Army and its special mission, the regulations lay a particular and explicit emphasis on the political demand, theoretical principles, and basis systems for guaranteeing the party's absolute leadership over the Army. The primary purpose of studying the regulations is, through enforcing the regulations, to firmly instill into our mind the concept of the party's absolute leadership and further eliminate confusions in party-army relations caused by the ideological trend of bourgeois liberalization. The study and implementation of the Regulations on Political Work is in line with the current education on the party's absolute leadership over the Army.

Yang Baibing pointed out: To put the regulations into effect, persistent efforts should be made to carry out the Army's political work according to the standard of the regulations. Party committees and political organs at all levels in the Army should, with a practical spirit, regard the study and implementation of the regulations as a new starting point for learning how to organize and carry out work in various fields according to the regulations. They should also incorporate the Army's political work into the orbit of the new regulations so as to gradually set up a fine and regular work order.

Yang Baibing called on the office of the General Political Department to set a good example in studying and implementing the regulations.

Tibet Issues Circular on PLA Treatment

OW0503081091 Lhasa XIZANG RIBAO in Chinese
29 Dec 90 p 1

[Circular of the Tibetan Autonomous Regional People's Government on carrying out in breadth and depth activities of supporting the Army and giving preferential treatment to PLA families around New Year's Day, Spring Festival, and the Tibetan New Year, and during the period for commemorating the 40th anniversary of the peaceful liberation of Tibet—issued on 28 December 1990]

[Excerpts] New Year's Day 1991, Spring Festival, and the Year of the Iron Sheep on the Tibetan calendar are around the corner, as well as the 40th anniversary of the peaceful liberation of Tibet in May. To build even closer army-government and army-people relations in our region, promote the grand unity of people of all nationalities, enhance the awareness of national defense, and reinforce support of the Army among people and cadres of all nationalities, the autonomous regional people's government has decided to create a new, regionwide upsurge of support for the Army and giving preferential treatment to military families around the three red-letter days and during the period for propaganda activities on the 40th anniversary of peaceful liberation of Tibet.

1. The People's Liberation Army [PLA] is an important component of the state's political power and a strong pillar of the Chinese people's democratic dictatorship.

All localities should employ all forms and means of propaganda to publicize, both in breadth and depth, the great contributions made by the PLA in defending and developing Tibet during the 40 years since the peaceful liberation of Tibet. [passage omitted]

2. The various counties and cities should, under the unified leadership and plans of the local party committees and governments, assign personnel to conduct a thorough, comprehensive review of implementation in their respective localities of the policies and regulations for giving preferential treatment to military families. [passage omitted]

3. Joint promotion by the military and people is a good method for building the socialist spiritual civilization and for maintaining close army-government and army-people ties. The various localities should, together with locally stationed troops, earnestly sum up their experience and work out new programs in accordance with the guidelines of the National Work Conference on Activities of Building the Spiritual Civilization and deepen the joint promotion activities in a sound way. [passage omitted]

4. The various localities should organize efforts to conduct a thorough review of existing problems regarding army-government and army-people ties in their respective locality. [passage omitted]

5. Solid army-government and army-people unity is a major guarantee for greater stability in our society and for the smooth implementation of socialist modernization. Governments at all levels must regard the consolidation of national defense, support for military construction, and the strengthening of army-government and army-people unity as a strategic measure for stabilizing the regional situation and developing the regional economy and carefully work out implementation programs accordingly. [passage omitted]

PLA Department on Learning From Lei Feng

OW0503204591 Beijing XINHUA Domestic Service
in Chinese 1452 GMT 2 Mar 91

[Text] Beijing, 2 Mar (XINHUA)—In greeting another spring campaign to learn from Lei Feng, the General Political Department of the People's Liberation Army [PLA] issued a circular to commend 17 advanced units and 83 advanced individuals of the whole Army in learning from Lei Feng.

The circular of the PLA General Political Department pointed out: Advocated by the party Central Committee and the Central Military Commission, various units of the whole Army have in recent years taken positive action and launched a new upsurge in learning from Lei Feng. Centering around the essence of selfless devotion, the broad masses of commanders and fighters have paid attention to the fundamental issue of "what is the purpose of living and how to become an upright and useful person." They have closely integrated their practice of Lei Feng's spirit in their posts with serving the society. As a result, they have unfolded activities of

learning from Lei Feng with momentum and in a solid manner. They have made new progress in learning from Lei Feng in both range and quality. The activities of learning from Lei Feng have played a positive role in strengthening the political building of various units, developing fine work style, promoting stability at the grass-roots level, improving relations between the Army and the government and between the Army and the people, and helping accomplish various tasks. A large number of advanced typical examples have emerged from activities of learning from Lei Feng. Those units and individuals commended by the PLA General Political Department this time are prominent representatives of advanced units and individuals. Following Lei Feng's example, they have conscientiously studied Marxism-Leninism-Mao Zedong Thought, adhered to the four cardinal principles, and maintained a high degree of unanimity with the Party Central Committee ideologically and politically. They have seriously put into practice the goal of serving the people wholeheartedly, worked for the public interest, and made selfless contributions. They have maintained and carried forward the spirit of arduous struggle, been faithful to their duties, worked hard, and made outstanding achievements on their respective posts. Their advanced thinking and deeds have fully demonstrated the look of armymen of the new generation and reflected the fruitful results of activities of learning from Lei Feng. The circular called on various units of the whole Army and the broad masses of cadres and fighters to modestly learn from those advanced units and individuals, strive to promote a trend of learning from and catching up with advanced units, vie with one another in making progress and becoming advanced units, and constantly develop activities of learning from Lei Feng.

The circular called on the whole Army to seriously implement the guidelines of instructions issued by leading comrades of the party Central Committee and the Central Military Commission, centered around the subject of strengthening political building and insuring that the Army will forever be politically qualified; persisting in doing a good job in various posts; further promoting and deepening activities of learning from Lei Feng; cultivating more revolutionary soldiers with lofty ideas, moral integrity, a good general education and a sense of discipline; and making new contributions toward realizing the grand goal of revolutionized, modernized and regularized building of the Army.

Hunan Official Views Learning

HK0603105291 Changsha Hunan Provincial Service
in Mandarin 2300 GMT 3 Mar 91

[Text] Spring has just come when the month of March begins. On the eve of the 28th anniversary of the publication of Chairman Mao's inscription "Learn From Comrade Lei Feng," the provincial military district held a meeting in Huaihua from 1 to 2 March to exchange experiences in learning from Lei Feng and serving the

building of the army among all the people's armed forces departments throughout the province.

Leaders including deputy provincial secretary Liu Zhengwu, political commissar of the provincial military district Jin Feng, et al, attended the meeting.

At the meeting, 13 units, including Huaihua military subdistrict, passed on their respective experiences. Leaders of the provincial committee and provincial military district awarded silk banners and certificates to 22 advanced units and 23 advanced individuals.

During the meeting, deputy provincial secretary Yang Zhengwu made a speech on carrying out the campaign of learning from Lei Feng in more depth. He pointed out: To carry out the campaign of learning from Lei Feng in more depth, it is necessary to deepen our ideological understanding. We must have a profound understanding of the great significance of learning from Lei Feng from the high plane of opposing peaceful evolution and striving to accomplish the second-step strategic goal of the modernization drive. We should center closely around the theme of implementing the spirit of the Seventh Plenum of the 13th CPC Central Committee and meticulously organize a set of activities of learning from Lei Feng. In the activities, we should lay special emphasis on education in three respects: First, we should do a good job in the education on patriotist, collectivist, and socialist ideologies; second, we should do a good job in the education on serving the people wholeheartedly; third, we should do a good job in ideological and moral education.

Yang Zhengwu emphasized: Encouraging the Army and civilians to make concerted efforts in the building of two civilizations and learning from Lei Feng is a successful experience of our province in learning from Lei Feng. To improve this activity to a new level, the key is to sum up and carry forward the precious experiences of the past, namely, being realistic and seeking actual effect, so that the civilized spirit of Lei Feng can flourish throughout the province.

Radio To Carry Lectures on Military Regulations

OW0103043691 Beijing XINHUA Domestic Service in Chinese 0148 GMT 1 Mar 91

[By correspondent Jin Ying (2516 7751) and reporter Zhang Dongwen (1728 2639 2429)]

[Text] Beijing, 1 Mar (XINHUA)—The Central People's Broadcasting Station today will begin broadcasting a series of lectures on military laws and regulations.

The lecture series is co-sponsored by the General Staff Department and the Central People's Broadcasting Station. Chief of General Staff Chi Haotian, attaching great significance to the lectures, has more than once demanded that the lectures be run well to further spread knowledge on military laws and regulations, enhance the people's awareness of national defense, and promote revolutionization, modernization, and regularization of

the People's Liberation Army [PLA]. Leaders of the General Staff Department and its subordinate departments and bureaus, as well as the leaders of the Academy of Military Sciences, will give lectures on military laws and regulations, such as "Interior Service Regulations," "Code of Military Discipline," "Regulations on Formation," "Military Service Law," and "Law on Protection of Military Installations."

The lecture series will last three months.

Central Officers Observe Students' Training

SK0503073991 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 5 Feb 91

[Text] Visiting the Army Academy in Shijiazhuang City on 1 and 2 February to see the 1990 Beijing University freshman students who are receiving military training at the academy, as well as the teachers, staff members, and workers of the academy on the festive occasion were Lieutenant General Han Huaizhi, Deputy Chief of the General Staff of the PLA General Staff Headquarters, who was entrusted by the Central Military Commission, the PLA General Staff Headquarters, the PLA General Political Department, and the PLA General Logistics Department; and Huang Xinbai, vice chairman of the Higher Education Committee of the National Chinese People's Political Consultative Conference [CPPCC] Committee, who was entrusted by the State Education Commission. Accompanying them during the visit at the Army Academy were Lu Chuanzan, deputy secretary of the provincial party committee; (Wu Shuangzhan), Deputy Chief of Staff of the Beijing Military Region; and leading comrades from the State Education Commission, Beijing University, and Shijiazhuang City.

During their visit to the academy, Han Huaizhi and Huang Xinbai heard briefings given by Major General (Lu Shengfa), president of the Army Academy, and Major General (Xiao Xu), political commissar of the academy, on the situation in the study, training, and livelihood of students from Beijing University. They also attended the report meeting jointly sponsored by the students of Beijing University and the cadets and teachers of the academy, who described their experiences gained in correcting and consolidating their faith through reading during the meeting. They also viewed performances of literary and art programs.

During their visit to the academy, leading comrades also looked into the classrooms, dormitory, and the mess hall, held talks with the students in training to inquire about their living conditions, and had a lunch with them.

Deng Hongxun Addresses Hainan District Meeting

HK0103030991 Haikou HAINAN RIBAO in Chinese 8 Feb 91 p 1

[Report by Bai Jiantai (2672 0494 3141), Xu Fangzheng (1776 2397 2398), and Li Xianhuang (2621 7359 3552):

"Provincial Party Secretary Deng Hongxun Addressed an Enlarged Meeting of the Hainan Military District CPC Committee"]

[Text] An enlarged meeting of the Hainan Military District CPC Committee was in session on 4 and 6 February. Provincial party committee Secretary Deng Hongxun and Governor Liu Jianfeng were present at the meeting. Gong Pingqiu, secretary of the Military District party committee and political commissar, gave the party committee work report at the meeting. Deng Hanmin, Standing Committee member of the Military District party committee, secretary of the Discipline Inspection Commission and deputy political commissar, gave a report on the work of the Discipline Inspection Commission. Zhou Chuantong, Political Department director, conveyed the spirit of the national conference on the work of "supporting the Army and cherishing the people and supporting the Army and giving preferential treatment to families of revolutionary men and martyrs." Standing Committee member of the provincial party committee Wei Zefang, Standing Committee member of the Military District party committee Liu Chengbao, Zhang Dehong, Zhu Jifa, secretaries and deputy secretaries of the party committees of divisional and regimental units, and the chief leaders of the People's Armed Forces departments of various cities and counties attended the meeting.

Gong Pingqiu recognized last year's work results and forwarded the work and missions for the new year: One, taking the party construction as the center, further strengthen the political construction of the forces. Two, effectively strengthen training and administration and work to foster military capacity for enduring hardship. Three, further strengthen the construction of the People's Armed Forces Departments, allowing militiamen to have full play in building and defending the great special economic zones. Four, strengthen the construction of logistics and raise the ability for integrated protection. Commander Xu Xiaochu, deputy secretary of the Military District Party Committee, made a synopsis revolving around invigorating the spirit, changing the style, vigorous grasping and implementation and tackling well and with high standards an overall construction of the forces.

Provincial party committee Secretary and First Secretary of the Military District Party Committee, Deng Hongxun, attended the synoptic meeting. Having commended highly the last year's work results of the forces of the military district and briefed the meeting on Hainan's economic construction and prospects in the next 10 years and the keys in current work, he made an important speech on strengthening the construction of the People's Armed Forces departments and implementing the spirit of the national "double support" work conference. He pointed out that the construction and the People's Armed Forces departments and the work on militiamen's reserve duty and must adhere to the principles of the party leading the armed forces and the double leadership of the Army and locality, vigorously

grasp the building of the People's Armed Forces Departments, mobilize the enthusiasm of the broad mass of militiamen, further strengthen the activity of "gaining wealth for the island and strengthening the soldiers" and servicemen's and people's joint construction, and play a greater role in promoting the consolidation of the outpost of national defense and social stability. Concerning the implementation of the spirit of the national "double support" work conference, he requested party committees at various levels to grasp well and seriously the conveyance, study and education of the conference's spirit, strengthen leadership over this work, strengthen organs and various institutions, launch province-wide and extensively the activities of setting up "model city for the double support," "model county for the double support," and "model units for the double support," seriously perform more practical and good deeds for promoting political and military, and servicemen and people, unity, and push the province-wide "double support" work to a new height.

Finally, Governor Liu Jianfeng expressed the hope that the broad masses of the military district's commanders and soldiers and the whole body of the militia can further understand the situation, identify the duties, better implement the range of instructions by the party central authorities and the CPC Central Military Commission, work to strengthen the overall construction, raise military and political quality the and make new contributions to defending and constructing the great special economic zone.

The meeting also cited a batch of advanced units and individuals. Leaders of the provincial party committee and military district presented the awards to the units and individuals.

Anhui Governor Addresses Armed Forces Gathering

*OW 2802152991 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 27 Feb 91*

[Text] The Anhui Provincial People's Armed Forces Commission recently held its 11th meeting to study new regulations on militia work, to review last year's militia and reserve work, and to discuss and plan for this year's work in this regard.

The meeting called on cadres at various levels, militiamen, and the masses of people in Anhui to earnestly study and implement the new regulations on militia work and to further step up the building of the reserve forces in the province.

The meeting held: The tasks assigned by higher authorities in militia and reserve work were carried out well in 1990, and progress was made in building the reserve forces. Achievements were also scored in mobilizing large numbers of militiamen to build a material and a spiritual civilization, maintain social stability, and carry out economic construction.

The meeting pointed out: In performing militia and reserve work for 1991, we should follow the guidelines of the Seventh Plenum of the party's 13th Central Committee and an all-Army military work conference [quan jun jun shi gong zuo hui yi] and profoundly study and implement the instructions of the party Central Committee, the State Council, and the Central Commission on strengthening the building of the reserve forces for national defense. We should make further efforts to build the reserve forces.

Governor Fu Xishou presided over and addressed the meeting. After analyzing the current international and domestic situation, he called on leaders at various levels to (?pay close attention to) building the reserve forces for national defense and [words indistinct]. The newly promulgated regulations on militia work, which constitute the legal basis for strengthening the building of the reserve forces for national defense, are of great significance. Leaders at various levels should conscientiously organize people to study and implement the new regulations. They should achieve the unity of the people in thought and action according to the guidelines set out in the new regulations, and put militia work on a legal basis.

Fu Xishou called on people's armed forces commissions at various levels to show concern for, and support, militia work, strengthen their lateral ties with relevant departments, and coordinate closely with the latter. They should rely on people in various circles to do a good job in building the militia and reserve forces.

Reporting on achievements in militia work at the meeting were Commander Shen Shanwen and Political Commissar Shi Lei of the provincial military district; Vice Governor Shao Ming; Deputy Commander Liu Zhengzong and Chief of Staff Ding Bingsheng of the provincial military district.

Leading comrades of relevant departments under the provincial party committee, the provincial government, and the provincial military district attended the meeting and spoke.

Economic & Agricultural

Commentator's Article Stresses Hard Struggle

HK0603025691 Beijing JINGJI RIBAO in Chinese
5 Feb p 1

[Commentator's article: "Hard Struggle Is Needed To Become Comparatively Well-Off"]

[Text] The recent proposal of the CPC Central Committee for drafting the 10-year national economic and social development scheme and Eighth Five-Year Plan (hereinafter "Proposal") has expounded in detail on the specific contents and requirements for attaining the goal of becoming comparatively well-off. It is extremely important to clearly realize this goal, profoundly understand the rich contents, and use this goal to organize and

mobilize the broad masses to work hard and carry out construction wholeheartedly.

The comparatively well-off goal—that is, the second step strategic objective of China's social economic development, was officially proposed at the 13th CPC National Congress. The "Proposal" has given it profound and comprehensive explanations: On the basis of feeding and clothing the people, further improve the quality of people's livelihood and ensure that they are well-fed and well-clothed. Improving the quality of people's livelihood includes improvement in material life as well as cultural life and an increase in personal consumption as well as improvement in social welfare and labor environment. According to analyses and forecasts by economic experts, the diet and nutrition of the Chinese will be more rational at the comparatively well-off level: There will be a certain amount of eggs and meat daily at the household dining table; most of the children will have sufficient nutrition; there will be great changes in dressing and urban inhabitants will seek garments which are comfortable, beautiful, varied, and personal and which have a sense of the times; color television sets, refrigerators, and other household appliances will be popularized in urban households as well as in peasant households with moderate incomes; urban inhabitants will have an average of over eight square meters of housing while the rural inhabitants, 15 square meters and almost every family will get an apartment; distribution of commercial and service networks will be rational and the quantity will increase, with every 200 people having two commercial service centers; medical care for urban and rural inhabitants will improve somewhat and average life span will rise to around 72, approaching the level of advanced countries; primary schools will be popularized at the village level, junior middle schools at county and township level, and senior middle schools at large and medium size cities; inhabitants will have more space for their activities, domestic tourism will become a common practice, and urban households with moderate incomes will have telephone sets....

The attainment of a comparatively well-off level in people's livelihood is a grand objective, which is arduous as well as encouraging. In the past century or so, China's laboring people have yearned to eradicate poverty and take the road to prosperity; however, this has always been a dream. Under the leadership of the CPC today, we have successfully realized the first step strategic goal in the first 10 years by relying on the superiority of the socialist system and the concerted efforts of the people of the whole country, resolved the problem of feeding and clothing the people, and advanced toward the comparative well-off level. Social and economic development of the motherland has entered a new era. All this has incontrovertibly proved and will continue to prove that only the Communist Party can save China, and only socialism can lead China to prosperity. In this sense, the attainment of the comparatively well-off goal is an economic development target as well as a social and political target of the people of the whole country.

Are there difficulties in attaining this goal? Yes, of course. We can also say without hesitation that the goal can certainly be attained with our efforts. First, we have the successful experience of feeding and clothing the people in the previous 10 years. We also have the line of building socialism with Chinese characteristics proposed by Comrade Deng Xiaoping which has been enriched and perfected in practice. This is the fundamental guarantee for attaining the second step strategic goal. The whole party and nation have further supported and implemented the basic national policy of reform and opening up. The situation at home is developing favorably toward stability and unity. As long as we clearly realize the goal and develop our economy wholeheartedly, we will certainly be able to score new achievements.

Second, some economically developed areas that have resolved the problem of food and clothing earlier than others have in recent years laid a solid foundation for advancing toward the comparatively well-off level. Some are approaching the comparatively well-off level, some have attained the target in terms of average total output value, and some have realized the target in the quality of livelihood in certain aspects. For example, housing of the inhabitants of Shanzhen and Daqing has improved markedly, and those with a bathroom account for as high as 98 percent and 80 percent, respectively. Urban and rural inhabitants in Jiangsu's Suzhou and Wuxi now have ample food and clothing. These achievements prove the truth: As long as efforts are made, the comparatively well-off target is attainable.

We should also be aware, however, that the grand objective is an arduous one. Because China's economic development is uneven and the starting point of economic development, material and technical conditions, and quality of population of all localities differ from each other, some localities may be ahead of others in attaining the target. To realize the second step strategic target, it is necessary to put in more hard work. A small number of localities that have realized or are approaching the comparatively well-off level should advance toward a higher level. Most of the localities that have solved the problem of food and clothing should move toward a comparatively well-off level, and a small number of poverty-stricken localities should advance toward a comparatively well-off level on the premise of resolving the problem of food and clothing. We should proceed in all cases from the actual situation, earnestly summarize past experience, and make specific plans for the future. Every locality and unit should set forth a specific target and definite task and adopt measures for implementation.

The key to striding toward a comparatively well-off level lies in inspiring enthusiasm and hard work. On the whole, we are still at the stage of doing pioneering work. To create a bright future, it is necessary to foster the idea of doing hard work for a long time. All ideas and style that seek comfort and fail to forge ahead are wrong. While China's economy has gradually taken a turn for the better recently, there are still difficulties. Although

the results of economic improvement and rectification are apparent, the problems at the deeper layers remain unsettled. Amid the complicated economic situation, how should we boost the morale of the masses and increase their confidence and courage in overcoming difficulties? An important point is to enable everyone to realize the comparatively well-off target through study and discussion and link the target to their interests so as to make concerted efforts to attain the common goal.

The people all working with one will can move mountains. Let us go all out, unswervingly advance toward the comparatively well-off goal, and steadfastly move toward the bright future of socialism with Chinese characteristics.

Further Comment on Struggle

HK0603031291 Beijing JINGJI RIBAO in Chinese
19 Feb 91 p 1

[Commentator's article: "We Are Still in the Pioneering Period—Further on the Need of Hard Struggle To Become Comparatively Well-Off"]

[Text] JINGJI RIBAO carried a commentator's article entitled "Hard Struggle Is Needed To Become Comparatively Well-Off" on 5 February. As the idea was not fully expressed in the article, it is necessary to say a few more words here about the issue.

Through 10 years of reform, we have basically solved the problem of feeding and clothing the Chinese people. This is a brilliant milestone, which is worth being proud of; however, we should also be aware that with the improvement in living standards, the ideas of seeking comfort and shunning hard work are growing: Some cadres go in for ostentation and extravagance and parade their wealth, some masses blindly vie with one another in advance consumption, some young people seek "having a wonderful time" in their life.... All this constitutes a negative influence on China's socialist modernization program. This trend merits attention.

Regarding the grand objective of building a powerful and modern socialist country, having enough to eat and wear constitutes only the first step of a 10,000-li long march. To catch up with the level of the developed countries, we need efforts of a century and hard work of several generations. We are still in the pioneering period and under no circumstances should we be satisfied with the existing state of affairs and foster the idea of seeking comfort.

Our current level of having enough to eat and wear is still relatively low, and the average consumption level of the urban and rural inhabitants in 1990 is only 720 yuan. Apart from a small number of regions that are relatively affluent, the vast countryside is lagging far behind, and living standards of the masses in the remote regions are very low. It is no easy job to solve the problem of food and clothing and attain the comparatively well-off level nationwide. To this end, concerted efforts and hard work of the people of the whole country, including the developed regions, are required.

The world's current political situation is changing and economic competition is sharp. A review of the past shows that the external environment of China's economic development over the past decade was relatively good. Only by making strenuous efforts and turning out more products can we adapt ourselves to the new world structure, maintain a relatively high growth, and attain the comparatively well-off target.

China's economy is now at a new stage of development—that is, a special historical stage in which the per capita GNP is rising from hundreds of U.S. dollars to over \$1,000. Numerous facts have proved that economic development at this stage cannot be plain sailing. When Japan entered this stage in the 1950's, despite the special opportunity, it encountered the problem of intensified pressure from external competition and fluctuations arising from readjustment of the internal structure and interests. The people were then in straitened circumstances. They attained the comparatively well-off target by undergoing hard struggle for a long time. In the 1960's, the "four small dragons" in Asia also encountered tremendous difficulties and challenges at this historical stage. They also achieved successes through hard struggle. Ours is a large, developing socialist country with a big population and poor foundation. Our overall economic level is not too high. These characteristics determine that we cannot make use of external "opportunity" like some countries and regions and rapidly complete this arduous course. Only by paying a greater price than theirs and making strenuous efforts can we sweep over rapids and shoals and reach the other shore.

To attain the comparatively well-off target in 10 years, we should maintain an economic growth of around 6 percent. The attainment of the growth will be no easy job though it is not too high compared with the previous decade. First, the base figure is larger compared with the previous 10 years. The quality of goods produced will be larger in the increase of every percentage point in the coming 10 years. Hence, the tasks will be arduous. Second, as China's economic potentials have been fully released in the previous 10 years, it will be very difficult to continue to maintain a high growth. Take agriculture, for example. Output in the previous 10 years rose from 320 to 420 million tons. The per unit area yield of major crops has already reached advanced world levels. Thus, it will be very difficult to increase the output to 500 million tons on this basis. The situation of energy and communications is also more or less the same as other basic industries. They will have to put in more hard work for the increase of every percentage point. Third, the main target of the past decade was to have ample food and clothing while development in other fields was uneven. In the next 10 years, we should make comprehensive improvement in a wider scope. We should carry out construction and "pay debts" in housing, cultural life, and social facilities as well as increase investment in education, science and technology, and basic construction, and make preparations for the next century. The heavy task on our shoulders requires more hard work.

It is not a fantasy to attain the comparatively well-off goal by the turn of the century. The target is grand and the tasks are arduous. We should continue to conduct education in hard struggle among the broad ranks of cadres and the masses. It is necessary to foster a common social understanding: We are still in a pioneering period which is far from the one to seek comfort and go in for ostentation, extravagance, and advanced consumption. Hence, we should continue to maintain the spirit of building an enterprise through arduous effort. Leading cadres at all levels should set an example in hard struggle and bring about a favorable turn in social general mood. They should vigorously advocate the spirit of hard struggle and building the country through thrift and diligence and oppose waste and extravagance among the broad masses. In light of the characteristics of young people who do not have a clear understanding of national conditions, who do not know the hard work done by the elder generation in building the country, and who think that it is their duty to enjoy life, we should conduct meticulous ideological work so they can grow up amid an environment of building an enterprise through arduous effort.

We shoulder heavy responsibilities for attaining the comparatively well-off goal and it will be a very difficult job to further advance. The Third Plenary Session of the 11th CPC Central Committee has illuminated the road leading to a comparatively well-off level, while the attainment of the goal requires long-term hard struggle.

National Conference on Supporting Poor Areas Ends

*SK0503071991 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 4 Mar 91*

[Excerpts] The national conference on supporting and developing poor areas ended in Jinan on 4 March. At a plenary meeting held on the morning of 4 March, Jia Qinglin, acting governor of Fujian Province, Xie Shijie, vice governor of Sichuan Province, (Wang Zengrong), deputy mayor of Qingdao City, Zhang Runshen, vice governor of Hebei Province, (Chu Zhuanghou), secretary of Linqu County party committee of our province, and delegates from Shaanxi Province respectively introduced their experiences in supporting and developing the poor areas.

During the meeting, the participants held panel meetings to enthusiastically discuss State Councillor Chen Junsheng's speech and the proposals for formulating work plans for supporting and developing poor areas during the Eighth Five-Year Plan period. All of them held that the work objectives for supporting and developing poor areas during the Eighth Five-Year Plan period meet the requirements of the 10-Year Program for national economic and social development and the Eighth Five-Year Plan, conform with the reality of poor areas, and define a development orientation for helping the poor areas shake off poverty and become rich. They noted: During the Eighth Five-Year Plan period, the series of preferential policies and measures which the country has adopted for supporting economic development in the poor areas

are of important significance in promoting economic invigoration in old revolutionary bases, minority areas, border areas and poverty-stricken areas, and will stimulate poor areas to alleviate the poor situation on a deeper level and a greater scope and accelerate the progress of poor areas in shaking off poverty and becoming rich. [passage omitted]

State Councillor Chen Junsheng and members of the State Council's leading group for supporting and developing poor areas attended the plenary meeting on the morning of 4 March.

Government Continues Aid to Minority Areas

OW0603080191 Beijing XINHUA in English
0744 GMT 6 Mar 91

[Text] Beijing, March 6 (XINHUA)—China will continue to help ethnic minority areas boost their local economies in the coming five years, PEOPLE'S DAILY reported today.

The paper quoted Wang Fulin, director of the Economic Department of the State Nationalities Affairs Commission, as saying that the state will help the minority areas tap local natural resources while continuing its policy of assisting the poor in these areas. Furthermore, the state will also encourage economically developed coastal areas to give the minority areas financial and technical support.

According to Wang, the economies in ethnic minority compact communities have boomed over the past five years thanks to the reform and open policy.

The combined gross domestic product of Inner Mongolia, Ningxia, Guangxi, Xinjiang and Tibet Autonomous Regions and Yunnan, Guizhou and Qinghai Provinces reached 160 billion yuan last year, an increase of 37.6 percent over 1985; the total gross industrial and agricultural output value reached 266.3 billion yuan, up 50.8 percent; while grain output reached 47.94 million tons, up by 7.5 million tons over the figure from 1985.

The living standard of the people in these areas has improved in accord with the economic development, wang noted.

The average income of farmers and herdsmen was 517 yuan per person in 1989, up 66.2 percent over 1984. In addition, the annual employee wages in the state and collective enterprises reached 1,850 yuan, up seven percent a year.

Wang noted that people in many ethnic minority areas have jumped above the poverty line in the past five years. He said some have even purchased durable consumer goods, including televisions, washing machines and refrigerators.

Conference Urges Quality Control, Inspection

Leaders Stress Need for Quality

OW0503180391 Beijing XINHUA Domestic Service
in Chinese 0937 GMT 5 Mar 91

[By RENMIN RIBAO reporter Liu Xiao (0491 7197) and XINHUA reporter Zhang Yi (1728 3015)]

[Text] Beijing, 5 Mar (XINHUA)—The reporters have learned from the national conference of directors of commodity inspection bureaus which ended here today that during the conference, General Secretary Jiang Zemin, Premier Li Peng, and Vice Premier Tian Jiyun called on commodity inspection departments to strictly inspect the quality of import and export commodities in order to make contributions to opening wider to the outside world.

Jiang Zemin pointed out on 3 March: Commodity inspection work concerns the interests of the state and the country's reputation to the outside world. Staff members and workers of commodity inspection departments should do their job according to law. They should be strict in commodity inspection, provide service, and make contributions to opening up wider to the outside world.

Li Peng pointed on 4 March: Commodity inspection departments bear an important responsibility to ensure the quality of import and export commodities, and have made contributions to promoting the expansion of China's economic relations and trade with foreign countries. I hope that commodity inspection departments will do a better job of supervising quality in foreign trade; they should inspect commodities strictly, upgrade the reputation and competitiveness of China's commodities on the international market, and safeguard China's legitimate rights and interests in importing commodities. I also hope that the industrial, trading, and inspection departments will closely coordinate their efforts to improve commodity inspection work.

After hearing a report on commodity inspection work, Tian Jiyun also urged commodity inspection departments to give priority to upgrading the quality of commodities during the launching of the quality, variety, and efficiency year campaign. They should make good use of the opportunity to help export enterprises upgrade quality and efficiency.

Wang Jiuan, director of the State Import and Export Commodity Inspection Bureau, said at today's conference that during the Eighth Five-Year Plan period, a system of import and export commodity inspection with Chinese characteristics will be gradually improved—a system that suits China's national conditions; accords with international practice; coordinates production, marketing, and inspection; and combines domestic and international cooperation. In the course of the quality, variety, and efficiency year campaign this year, commodity inspection departments at all levels should be strict in quality inspection, but more importantly, they should help production departments

strengthen quality control so as to win through upgrading quality. Next, it is necessary to strengthen ties with international inspection organizations, strengthen investigations and studies, and provide information to help large and medium-sized enterprises and enterprise groups explore the international market.

Wang Jiuan also urged commodity inspection departments to further simplify procedures, speed up the progress of work, and upgrade work quality and efficiency.

Tian Jiyun Discusses Domestic Firms

*OW0103051391 Beijing XINHUA in English
0248 GMT 1 Mar 91*

[Text] Beijing, March 1 (XINHUA)—Chinese Vice-Premier Tian Jiyun urged China's import and export commodity inspection departments to focus their efforts on helping domestic firms to improve the quality of exports and safeguard the country's reputation.

Product quality was the "life of enterprises" Tian said in a written speech to the national conference of import and export commodity inspection bureaux which opened in Beijing yesterday.

He said that in world trade, quality is the "focus of the competition," and only by upholding a policy of "quality first" could an enterprise maintain the competitive edge.

He pointed out that there were some problems with the quality of China's export commodities, especially foodstuffs, textiles and clothing.

Due to low quality, China earned much less hard cash through its export commodities than some developed countries, though the volume of China's exports was not small, Tian said.

Zhang Xunzhu, deputy director of the administration, said that during the period of the Seventh Five-Year Plan (1986-90) the administration inspected more than 5.14 million batches of import and export commodities with a total value of 176.3 billion U.S. dollars, up 43.07 percent and 144.6 percent, respectively, from the Sixth Five-Year Plan Period (1981-85).

He said that of the total commodities, inspected, export commodities inspected reached more than 4.55 million batches worth 95.85 billion U.S. dollars, and 110,453 batches of commodities were found to be below the standards set for export products.

Commodities which failed to meet standards accounted for 2.42 percent of the total inspected commodities.

Also during the period of the Seventh Five-Year Plan, they inspected 587,606 batches of import commodities worth 80.49 billion U.S. dollars and found 65,207 batches, or 11.1 percent of the total imported commodities, failed to meet standards.

With the administration's inspecting documents, China's departments concerned claimed compensation worth about 500 million U.S. dollars from foreign exporters.

To guarantee the quality of export commodities, Zhang said, they also continued a quality licence system for export commodities such as electronics and machinery, clothes, textiles, porcelain wares and coal.

Zhang said they adopted a stricter hygiene registering system for foodstuff factories and warehouses in order to guarantee their quality.

So far, the administration has examined and approved 3,876 hygiene licences to producers and stores of foodstuffs, he added.

By the end of last year, there were a total of 227 import and export commodity inspection departments, employing a total of more than 13,400 persons.

Trade Minister on Export Products

*OW0103110591 Beijing XINHUA Domestic Service
in Chinese 1416 GMT 28 Feb 91*

[By RENMIN RIBAO reporter Liu Xiao (04/91 1366) and XINHUA reporter Zhang Yi (1728 3015)]

[Text] Beijing, 28 Feb (XINHUA)—A national meeting of directors of the bureaux for the inspection of import and export commodities opened today. Li Lanqing, minister of Foreign Economic Relations and Trade, said at the meeting: In foreign trade, we should firmly adopt the strategy of winning foreign markets with good quality. Only in this way, can we be invincible in international competition.

Li Lanqing said: China has tried for two years to improve the quality of export goods and achieved some success, but the problem has not yet been fundamentally solved. Poor quality is an important obstacle to the development of our foreign trade. Currently, the poor quality of many of our export goods is not caused by poor equipment or low technological level. It is caused by the lack of awareness of quality and lack of a conscientious working attitude, as well as by poor management.

Li Lanqing said: During the "quality, variety, and efficiency" year, enterprises producing export goods and foreign trade enterprises should improve efficiency by improving quality and management, and strictly put an end to dumping, which hurts the interests of themselves, others, and the state. The government will formulate relevant laws and regulations to punish those enterprises engaged in such practice.

Li Lanqing urged the Commodity Inspection Department to strengthen the quality control of import and export goods according to the "Commodity Inspection Law," and help export goods producers and foreign trade enterprises improve the quality of export goods.

To our knowledge, during the Seventh Five-Year Plan period, China's Commodity Inspection Department inspected import and export goods worth \$176.3 billion, and discovered 110,000 cases of substandard export goods. The departments concerned replaced those substandard goods with up-to-standard ones before exporting them, and thus protected our country's reputation. The commodity department also discovered some 65,000 examples of substandard import goods, and recovered about \$100 million each year in claims.

State Council Official Stresses Quality

OW0603051591 Beijing XINHUA Domestic Service
in Chinese 0312 GMT 3 Mar 91

[By reporter Yang Zhaobo (2799 0340 3134)]

[Text] Beijing, 3 Mar (XINHUA)—Xu Zhijian, deputy secretary general of the State Council, recently talked to reporters about the Wuhan Iron and Steel Company's advanced experiences in developing into an enterprise stressing quality and efficiency. He emphasized: It is necessary to enhance people's awareness of quality as an important task in improving the quality of the nation as a whole and to persist in educating the people throughout the country to attach importance to quality. Xu Zhijian said: The State Council calls for learning from the Wuhan Iron and Steel Company because the path the company has taken in stressing quality and efficiency reflects the nature and tasks of a Chinese socialist enterprise. It is a correct path suited to the actual conditions of our country. The Wuhan Iron and Steel Company's advanced experiences teaches people to persistently follow the orientation of a socialist enterprise and properly handle the relationship between the interests of the state and those of the enterprise. It is necessary to learn from the Wuhan Iron and Steel Company's advanced experiences in creatively implementing the ideological principle of "quality first" and making unremitting efforts to do basic work in a down-to-earth way.

He said: The economy of our country is a socialist planned commodity economy with the mechanism of combining planned economy with market regulation. Our enterprises should engage in production and participate in market competition on condition that the interests of the state and the collective are protected. Such competition is principled competition with a view to gain maximum efficiency, it is not simply for the purpose of seeking the maximum profit, much less does it amount to considering everything in terms of money. When there is a conflict of interest, the interests of the individual should be subordinated to those of the collective, and the interests of the collective should be subordinated to the those of the state. The Wuhan Iron and Steel Company has done very well in this regard. The company attaches importance to quality and economic efficiency and even greater importance to the benefits of the national economy as a whole. When quality contradicts with the benefits of the enterprise, the Wuhan Iron

and Steel Company gives first consideration to the benefits of the state as a whole and views quality as mutually in the interest of the enterprise and the state. Giving first consideration to consumers, the company subordinates its benefits to quality, producing good social effects. The Wuhan Iron and Steel Company is absolutely correct when it views itself as an highly-developed enterprise in keeping to the socialist orientation and strengthening ideological and political work among its workers and staff members.

Xu Zhijian, who had served as director of the State Technological Supervision Bureau, held: After years of exploration and summarizing experiences, the Wuhan Iron and Steel has proposed the guiding principle of "two shifts"—stress should be shifted from output to quality in production and shifted from the economic responsibility system to comprehensive quality control in enterprise management. Giving prominence to quality, the company has instituted a management and operation system with the stress on quality. This is a creation resulting from a profound understanding of the principle of "quality first" and proceeding from the actual conditions of our country.

Xu Zhijian said: Quality is the core of efficiency. Attaching importance to quality embodies our party's ideological line for economic construction. Stressing quality represents a concrete and clear understanding that economic construction is the central task of the country. This is important for attracting people to participate in quality control and formulating policies in this regard. In stressing quality, it is necessary to first acquire an awareness of quality. We should foster an awareness of quality as one of the essential factors for improving the quality of the entire nation. For this purpose, we should mobilize the entire nation to attach importance to quality and to acquire an awareness of quality; we should stress the nature and tasks of socialist enterprises and the superiority of socialism; and we should stress the efficiency of the national economy as a whole. All departments, localities, and society should use "quality first" as the criterion of value to check on and improve our economic work. He pointed out: The remarkable achievements made by the Wuhan Iron and Steel Company are the result of its arduous and unremitting efforts over a long period of time, a result of their correct thinking and solid basic work with a clear aim. They are also a result of the company attaching importance to ideological and political work, firmly relying on its workers, and organizing the broad masses to take part in quality control, and to be a master of the country with socialist consciousness. While rationally defining the duties of personnel and instituting a system of personal responsibility, the company has also established a coordinated system of quality guarantees, procedure management, and quality inspection. It has done a lot of painstaking work in adopting international standards and advanced foreign standards, thus successfully blazing a path of modern socialist enterprise management that is suited to the conditions of our country and that stress efficiency by stressing quality.

Xu Zhijian finally said: We should implement the concept of "quality first" in every project of our country's economic construction. To firmly implement the principle of developing the national economy in a sustained, stable, and coordinated manner, we must enhance our awareness of quality and do a good job in quality control. This is the concrete practice of the party's ideological line for economic construction. Only by doing a good job in quality control can we make steady progress and attain both economic growth and efficiency. Only by so doing can we avoid the historical lessons of impatience for success and big swings in the economy. In successfully attaining quality and efficiency, the Wuhan Iron and Steel Company has provided a wealth of valuable ideas and experiences for various trades and industries in scientific management. We should adopt correct ideas, have clear aims, and do practical work as the Wuhan Iron and Steel Company has done. By so doing we can certainly achieve good results.

Tian Jiyun Calls for More Machinery Exports

OW0303135291 Beijing XINHUA Domestic Service
in Chinese 0934 GMT 3 Mar 91

[By reporter Yin Jianhua (1438 1696 5478) and DAZHONG RIBAO reporter Yu Zhiqiang (0060 1807 1730)]

[Text] Jinan, 3 Mar (XINHUA)—During a recent inspection tour of some enterprises in Jinan, Shandong Province, State Council Vice Premier Tian Jiyun stressed: Machinery and electrical products are China's most promising export commodities. Measures should be taken to increase the exportation of machinery and electrical products.

Accompanied by Jiang Chunyun, secretary of the Shandong Provincial CPC Committee; Ma Zhongcai, Standing Committee member and secretary general of the provincial party committee; and Zhao Yongbo, mayor of Jinan City, Tian Jiyun inspected such large- and medium-sized key export-oriented enterprises as Jinan Watchmaking Factory, Jinan No. 1 Machine Tool Plant, and Jinan Light Motorcycle General Plant, as well as export-oriented enterprises run by Qinghe Village in Jinan City, on 25 and 26 February. The vice premier visited workshops and chatted amiably with grass-roots cadres and workers, inquiring about the production and management of these enterprises, and soliciting suggestions for invigorating large- and medium-sized enterprises and increasing the exportation of machinery and electrical products.

Tian Jiyun said: China's machinery and electrical exportation was only a little more than US\$1 billion in 1985, and it increased to US\$11 billion in 1990. Through efforts in the next five years, it is entirely possible to increase the exportation by a large margin at the end of the Eighth Five-Year Plan. Because China already has a solid foundation and experience in the production of machinery and electrical

goods, the country should be able to realize the goal of doubling the exportation in five years.

The vice premier said: In view of China's vast population, it is rather unrealistic to increase foreign exchange earning through exporting more farm and sideline products. As for the exportation of other goods, it is impossible to achieve rapid growth, and the exportation of some goods may even decline because of the constraint of raw materials and international markets. Therefore, it appears that machinery and electrical products have the greatest potential for exportation. The production of machinery and electrical goods requires intensive labor and technology and a vast amount of funds, and the cost of labor is much lower in China than some developed countries. As long as we improve product quality and provide good after-sale service, Chinese machinery and electrical products will be very competitive in the international market.

Tian Jiyun stressed: We should pay particular attention to studying a number of major export-oriented machinery and electrical enterprises, and help them solve problems so that major enterprises can bring along minor enterprises. On the one hand, we should continue the preferential policies regarding foreign exchange retention and tax returns; and on the other, we should explore new enterprise mechanisms for invigorating large- and medium-sized key enterprises so that they can become independent commodity producers in a true sense. The vice premier said: If we succeed in helping dozens of major machinery and electrical enterprises earn tens of million or even hundreds of million dollars during the Eighth Five-Year Plan, we will have the initiative in our hands.

Tian Jiyun said: Where conditions permit, machinery and electrical enterprises should actively explore international markets. Presently, exports of certain machinery and electrical products are not as profitable as their domestic sales, and this constitutes a formidable obstacle to the exportation. The fundamental cure to the problem lies in improving quality, lowering cost, and raising efficiency. Moreover, it is necessary to coordinate prices of the same export commodities and seek ways to prevent forcible prices down for competitive sales. Provisional measures should also be taken to make appropriate allowances to enterprises whose entry into the international market has not yet yielded satisfactory economic results. The vice premier pointed out: We should not only instill a sense of honor and responsibility into export-oriented enterprises, but we should also build up their economic strength and fire their enthusiasm and awareness in exportation. By doing so, there will be great hopes for realizing the fighting goal of exporting machinery and electrical products during the Eighth Five-Year Plan.

Attends Tianjin Trade Fair

OW0503161291 Beijing XINHUA in English
1421 GMT 5 Mar 91

[Text] Tianjin, March 5 (XINHUA)—Vice Premier Tian Jiyun, who was attending an export trade fair which opened today in Tianjin, urged foreign trade departments in China to enhance inter-regional economic co-operation and increase exports.

Nie Bichu, the mayor of Tianjin, accompanied Tian to meetings where they held discussions with the heads of trade delegations from 11 provinces, autonomous regions and municipalities from northeast and northwest China.

Tian said that the recently introduced system under which trade departments assume full responsibility for profits and losses and which provides for equal competition amongst all foreign trade departments is the inevitable outcome of the reform in China's economic system. Tian said the system will help raise the quality of export products, increase varieties, lower the costs of export products and improve economic efficiency.

However, Tian added, some problems will occur along with implementation of the new system. He called on all localities and trade departments to take effective measures to improve the new system and to make every effort to fulfill this year's targets for foreign trade departments.

State To Tighten Control Over Foreign Debt

HK0303000691 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 3 Mar 91 p 1

[By staff reporter Ying Pu]

[Text] Facing an international shortage of capital resources, China has decided to strengthen control over its own foreign exchange earnings in order to ensure the servicing of foreign debts and "a proper scale" of imports.

Yin Jieyan, the newly-appointed director of the State Foreign Exchange Control Administration, told BUSINESS WEEKLY that he had two major tasks this year—pushing for more effective collection of export earnings and promoting the better functioning of China's foreign exchange swap centres.

China would continue to make active efforts to get more overseas investment and foreign loans on concessional terms, said Yin, 51, "but we should keep the volume of our foreign debts at a sustainable level while relying mainly on our own ability to increase our export earnings."

The country is facing a peak period for servicing its foreign debts. Last June, China's foreign debts amounted to \$42.4 billion. And the figure continued to grow by a big margin during the second half of last year, especially between October and December. Foreign commercial loans and non-concessional loans saw sharp increases.

Meanwhile, the central government's collection of foreign exchange earnings was inefficient, Yin said.

Although China clinched \$45.05 billion worth of hard currency earnings last year, 10.7 percent more than in 1989, the figure fell short of the total transaction value of exports, overseas labour services and engineering projects and tourism revenue.

According to Chinese Customs statistics, the country's exports alone stood at \$51.29 billion last year.

The major reason for such inefficiency was that Chinese foreign trade companies were unable to get back their hard currency earnings quickly, said Yin, who has worked in the fields of foreign economic relations and trade for 30 years and has held senior posts in the foreign trade ministry and the People's Bank of China, the country's central bank.

On January 1, he said, China had begun demanding that exporters register their exports at the State Foreign Exchange Control Administration which would see to it that their earnings were returned to the country.

"The purpose of the action is to increase the central government's foreign exchange revenue and avoid hard currency losses," Yin said.

Such efforts had already had an effect, he said. Shenzhen Special Economic Zone in South China's Guangdong Province, for instance, was able to collect more than 90 percent of its export earnings after just one month of such efforts. Previously, it could take back just 70 to 80 percent.

Yin said the foreign exchange control departments would also strengthen their control over China's foreign exchange swap centres.

He called for thorough studies to be undertaken into the supply and demand of hard currencies so that measures could be taken to stabilize a reasonable unified foreign exchange rate for all swap centres.

He also asked the centres to give priority to hard currency purchases for foreign debt repayment and for importing equipment, technology and materials needed by the country's key energy, communications and basic raw materials projects.

Yin urged provincial governments to remove regional bottlenecks and promote the exchange of hard currencies between regions.

China's foreign exchange swap markets chalked up a total trading volume of \$13.16 billion last year, up 53.7 percent on the previous year.

Article on Monetary Policy, Financial System

HK0503145791 Beijing JINGJI RIBAO in Chinese
16 Feb 91 p 3

[Article by Wang Haifeng (3769 3189 0023): "A Brief Discussion on China's Monetary Policy and Financial System"]

[Text] (1) Inflation in China is caused by mistakes in the guiding thought and in work, not by the inherent law of the socialist economy. Any degree of inflation is harmful and should be avoided where possible. The current continued slight inflation is only a temporary phenomenon during the economic readjustment and price reform.

(2) The expansion of the scale of fixed assets investment at the present time only brings about the repetition of serious inflation. This is different from the increase of temporary circulation funds. The adverse consequences of the expansion of the scale of fixed assets investment at the present time will last for several years and must be handled very carefully. As for the readjustment of the internal structure of fixed assets investment, reduction of capital construction projects and enhancing the technological transformation of equipment are necessary in promoting economic recovery and in alleviating the sluggishness in the market of the means of production. Therefore, these measures should be adopted.

(3) The situation of China's total social supply and demand at the present is that demand is still larger than supply. The national income situation is that expenditure is still larger than income. This is shown by the fact that deficits still exist and a rather large gap between loans and loan repayment still exists. This is the basic situation in the economy. To calculate the effective supply, we should deduct losses and defective products, and to calculate the effective demand, we should take into account the additional amount of material consumed in reproduction. After a period of improvement and rectification, however, the situation where total demand exceeded total supply has been alleviated; and finance, credit expenditure, and income have improved. The problem is still so serious that we have no choice but to issue currency beyond the economic capacity as a remedy. Production increases at the present time are small, and the structural sluggishness of the market was caused by the economic imbalance and low economic results over the years. At this critical moment, we must stick to the principle of double retrenchment and adjust it in a flexible way so as to further promote stability in the economic situation; otherwise, the danger will repeat and all our efforts will fail. Under the current international and national situations, we have very little room for maneuvering.

(4) For access to economic prosperity, we should depend on the balance between total supply and demand, readjustment of the industrial, occupational, and product structures, promotion of scientific and technological transformation, strengthening of planned regulation and control of the economy as a whole, and gradual reinforcement of the

market mechanism to increase the economic results of enterprises and improve social benefits. The process of reform lasts long and we must not be harsh.

(5) The commercial banking system is the product of the market economy of the West and is not suited to China's planned commodity economic pattern. China's monetary system is the state's economic lever and has the function of regulating and controlling the economy as a whole, which includes the regulation and control of aggregate amounts and the structure and the supervision of the settlement of microeconomic credit accounts. The commercial banks of the West are suited to capitalist private ownership and the market economy. The commercial banks seek maximum profits and are totally controlled by market regulation; therefore, they fall into the market category and do not belong to the means of planned regulation. In China, with the unified management of central banks, whether we should use the specialized banking system or the commercial banking system, or whether we should allow the coexistence of the specialized banking system and the commercial banking system—namely, the coexistence of banks set up for policy considerations and management banks (which is still the commercial banking system in essence)—remains a major theoretical question. In summing up the lessons of the inflation and confusion in the economic order over the past few years, the guiding thought for commercial banks has had a negative effect. Historical experiences must be summed up because it is very important for stabilizing the monetary situation and for long-term peace and stability.

(6) China's monetary macroregulation is aimed at development on a stable economic basis, and therefore stability comes first. The means of regulation and control are, first, the interest rate, and second, plans of credit income and payment. They are different from the means of regulation and control of the central banks of the West.

The interest rate is an extremely important economic lever. Not all people have a good understanding of the functions of the interest rate under the conditions of the socialist commodity economy. Generally speaking, interest rates in China still remain low. The fact that the interest rates were lowered on two recent occasions has taken into account the capacity of endurance of enterprises so that they can overcome difficulties. It cannot be a long-term principle.

As for plans of credit income and payment, they are economic means as far as their socioeconomic regulation and control is concerned. As far as the monetary system itself is concerned, they are the system to regulate the distribution of funds. Mandatory and guidance plans meet the demand of the integration of the planned economy and market regulation in China. As for reserve funds and renewable loans, they are only the means for the distribution and adjustment of funds in the interior of the monetary system. Different from the fact that the central banks of the West regard commercial banks as

the market system, the actual basic currency of China's central bank is only the portion in circulation.

Among the important means of regulation and control of the West's central banks, there are the open dealing and trading of market stocks. Stock trading in China, however, is only the transfer of financial and monetary bonds among their possessors, and by such transfers they can draw funds from the long-term bonds within short periods of time. Regarding the privatization of publicly owned means of production by the issuance of enterprise stocks, such stocks are limited in number because they are related to the structural problems of China's ownership system. Therefore, in China, stock trading is only an entrusted business operation of banks and is not the major channel for the disposal of social funds. This is also related to the controlling of the investment scale.

(7) The major channel for the accommodation and transfer of social funds in China is the deposits and loans of banks—namely, indirect fund accommodation. Social funds have a definite fixed amount. Presently, the majority of financial institutions, enterprises, and individuals have deposited their funds with monetary institutions, and only a few retain cash. Now we need to distribute social funds in the form of shares and bonds. The general practice is to separate the available funds of banks. This is not to increase the sources of funds, but to change the pattern of funds distribution. During inflation, only a few people stock up on cash as a means of saving. In the last two years, the savings services of monetary institutions have developed very quickly, and the social funds retained in hand in the form of cash are very little. Therefore, if we ask local financial institutions, enterprises, and individuals to use more of their money for investment, it will most probably result in the reduction of the available cash of monetary institutions. The converting of savings into enterprises' shares and bonds is only the converting of the adjustment of fund credit plans to market regulation. This is greatly unfavorable to the strengthening of macrocontrol. Therefore, we should study how we should develop it.

Article Studies Helping Financial Situation

HK0503131491 Beijing JINGJI CANKAO BAO
in Chinese 30 Jan 91 p 4

[Article by Xiang Zhongxin (7309 0022 2450): "Practical Options To Improve the Financial Situation"—first paragraph is JINGJI CANKAO BAO introduction]

[Text] Maintain an appropriate scope of deficit and use suitable compensatory methods; reduce the burden on enterprises and push through the policy of disconnecting taxes from profits; reduce taxes to facilitate accumulation by enterprises and expand the issue of government bonds; screen financial subsidies and improve the methods thereof; straighten financial order and establish the authority of tax law.

Since the beginning of the reform, the financial sector has made tremendous contributions in its coordination

with the reform and development in other fields, but finance itself has undeniably slipped into a dilemma which is hard to resolve. Nevertheless, it is not true that there is nothing to be done to improve the financial situation. The relatively practical choices are:

—To maintain an appropriate level of financial deficit, preferably controlled at under 10 billion yuan. We should take a dialectical view of a deficit and should not turn completely away from it for fear of a slight risk. A financial deficit is nothing fearful. What counts most is the appropriateness of the level of deficit and some suitable compensatory methods. Meanwhile, in view of the objective conditions, it will be more disadvantageous than beneficial to reduce or even eliminate the deficit when the growth of revenue is limited. This is because curtailing outlay is the only way to reduce or eliminate the deficit. The guaranteed expenditure on national defense and education has no flexibility, and there is not much room for retrenchment in administrative expenditure, so the only way out is to reduce expenditure on capital construction. If expenditure on capital construction is reduced to its detriment, the activation of the market and the extrication from the current economic dilemma will not be benefited, economic stamina will be affected, and the optimization of the economic structure will be delayed.

—To practice "disconnection of taxes from profits" step by step while reducing the burden on enterprises. The implementation of "disconnection of taxes from profits" has met with some knotty problems, the most outstanding of which is that many enterprises find it hard to bear the policy of "disconnecting taxes from profits, repaying credits after tax payment, and contracting after tax payment." The reality is: The budget state-run enterprises that make good profits, that make slight profits, or that operate at a loss comprise one-third respectively of the total number. Even if the tax rate is reduced to 35 percent, there will still be many enterprises that have no profit to contract after paying their taxes. This is bound to affect the continuation and perfection of the interest-driven mechanism of the contract system. Therefore, it is suggested that the income tax rate be further lowered so that most enterprises will have some profit to contract after paying their taxes. Undoubtedly, however, the further lowering of the income tax rate will affect normal financial revenue, but the ultimate purpose of "disconnecting taxes from profits" is to transform the operational mechanism of enterprises and disentangle the distribution relationship between the state and enterprises. From a long-term point of view, when the interest-driven mechanism and self-restraint mechanism of enterprises are perfected, financial income will have a rich source.

—In view of the current revenue and expenditure, tax reduction will indeed add to the financial difficulty, but other measures can be used to eliminate the negative influence of tax reduction. Expanding the issue of government bonds is an ideal option. 1) Tax reduction is

conducive to the self-accumulation of funds by enterprises, whereas government bonds are mainly oriented to consumption funds. 2) The scope of government bonds in our country is now expanding day by day; however, compared with some other countries, the debt dependency [zhai wu yi cun du 0280 0523 0181 1317 1653] in our country is still quite low. It was 10.1 percent in China in 1988, 14.4 percent in the United States in 1987, 13.7 percent in France in 1986, and 20.2 percent in Japan in 1986. 3) Government bonds, as a form of financial capital, have been widely accepted by the public step by step, which forms the social and psychological basis for expanding the scope of government bonds. 4) As far as the relative interest is concerned, government bonds are increasingly welcomed by the holders for their high credibility and stable profitability, especially when savings interest rates have been somewhat lowered. 5) As far as the bearing capacity of people is concerned, the balance of urban and rural savings has been constantly increasing and the surplus purchasing power has been growing with each passing day (the figure being over 700 billion yuan), therefore it is possible to expand the issue of government bonds. The expansion of the issue of government bonds will not only transfer consumption funds to accumulation funds and raise the capital for key construction projects, but will also serve to cushion the potential impact of the surplus purchasing power on the market. 6) In recent years, the insurance business has been constantly developing, but some problems have also cropped up. Such phenomena as excessive dispersion of the units specializing in insurance and inappropriate use of insurance income have been quite common. Therefore, it is suggested that a special type of government fund bonds be issued that are oriented to insurance funds. This is not only a solution to the urgent problem of financial shortage but will also meet the needs of regulating the economy and enhancing the utilization efficiency of the funds by issuing government bonds.

7) During the peak period of debt servicing, if the issue of government bonds stays in the same scope as in 1989 and the structure remains unchanged, net debt expenditure will appear for quite some time to come, which means that apart from raising new loans to repay the old debt, it will also be necessary to earmark a portion of the regular revenue for debt servicing. This obviously will add to the financial burden. Therefore, it is very necessary to expand the scope of government bonds to an appropriate extent. A certain amount of net debt income may well be reaped in 1991. While expanding the scope of government bonds, we should constantly improve the system of government bonds to balance the debt burden and guarantee the smooth operation of government bonds.

—To make up our minds to rectify and screen financial subsidies and reduce the scope of financial subsidies. In recent years, the scope of financial subsidies has rapidly expanded. It reached 97.91 billion yuan in 1989, and the budget for it in 1990 was 106.316 billion yuan. It has become an unbearably huge burden for finance. Furthermore, low efficiency and serious loss

and waste are found in the use of subsidies. Some subsidized projects even play the role of negative adjuster. For example, the price subsidies for urban staff and workers are evenly distributed, with a strong flavor of "welfare expenditure," which protects equalitarianism and low efficiency. The increasing of subsidies adds to the proportion of ex-wage income and aggravates the irrationality of the wage structure of staff and workers. In 1991, we should seize the opportunity of a relaxed supply-demand contradiction in the market and decisively put forward some measures for pricing reform. Big steps can be taken in the readjustment of the prices of some products and, for some other products, minor pricing readjustments can be made. Without redressing the distorted pricing system and reforming the irrational pay system, the expansion of the total amount of financial subsidies will be difficult to check. In the meantime, it is necessary to prevent the waste of subsidies by laying down strict subsidizing standards, improving the subsidizing link, and perfecting the subsidizing method.

—Managing finance according to law: Lawful revenue should go into the state treasury in good time, and lawful expenditure should go exactly where it is needed. The slackening of financial order and policy is not a negligible cause of the financial difficulty. Tax evasion and failure to pay the full amount of tax are very serious. As many as 80 percent of all individual manufacturers and businessmen evade tax or fail to pay the full amount. Defaulting on tax payments is also quite appalling. Through the screening in the fourth quarter of 1989, tax arrears were greatly reduced, but they have been rising month by month since last year. By the end of September 1990, the total amount of taxes defaulted on in various categories reached 23.39 billion yuan, an increase of 12.06 billion yuan over the beginning of that year, up 106.5 percent. Among them, 10.6 billion yuan of payable industrial and commercial taxes were defaulted on, an increase of 8.08 billion yuan. The authority and seriousness of tax law have been ignored. In addition, the funds that should be paid by the financial sector cannot reach where they are needed in time and in their full amount. This has affected the normal development of various undertakings and the smooth progress of production and management of enterprises. Presently, our country has 9 million accountants who, together with other supervisory organizations in various forms, have formed an economic supervisory system with a strong lineup. We should give full play to its regular supervisory role and stop making surprise inspections at the end of each year.

Article Urges Adherence to Macroeconomic Balance

HK0503153491 Beijing RENMIN RIBAO in Chinese
25 Feb 91 p 5

[Article by Zhan Wu (6124 2976): "Persistently Adhere to Macroeconomic Balance"]

[Text] The Seventh Plenum of the 13th CPC Central Committee stressed that it is necessary to uphold a sustained, stable, and coordinated development of the national economy, and always treat improvement of economic returns as the center of the whole of economic work. This guiding thought is very important and must be seriously implemented. My understanding is that whether we can implement this guiding thought depends on whether we can uphold macroeconomic balance for a long period.

The Integration of Macroeconomic Balance and Microeconomic Vitality Is the Embodiment of the Superiority of the Socialist System

One of the important illustrations of the superiority of our country's socialist system to the capitalist system is its ability to integrate macroeconomic balance with microeconomic vitality. In the capitalist system, enterprises are generally dynamic, but society is in a state of anarchy; productive forces are socialized and modernized, but are restrained by the relations of capitalist occupation. This conflict leads to frequent macroeconomic imbalances and economic crises resulting from overproduction. Since World War II, through government intervention, much repair work has been done, and the degrees of crises and their duration have changed, but economic crises continue to occur. In our country's socialist system, first, because of the practicing of the public ownership system, and because the goal of social production is to improve people's material and cultural standard of living, the restraint of capitalist occupation relations on the development of productive forces does not exist. Second, because we practice integration of planned economy and market regulation, and consciously adjust the imbalances arising from the operation of the national economy, we are therefore able to maintain a long-term macroeconomic balance. Third, the public ownership system is in a dominant position, and we allow various ownership systems to coexist, and this can arouse the enthusiasm of various economic sectors. To carry out prompt economic restructuring within the public ownership system economy, we can arouse the enthusiasm of the central authorities, localities, enterprises, and workers. Because the working masses are the masters of socialist society and have great enthusiasm and a sense of responsibility in being the masters, and because they are innovative, as long as we can develop this kind of enthusiasm and innovation on the premise of adhering to the socialist principle of distribution according to work, and continually carry out socialist ideological education, we can gradually create a productivity, economic returns, and speed of economic development which are much higher than in the capitalist system.

The above discussion is to illustrate that it is possible for the socialist system to integrate macroeconomic balance with microeconomic vitality, but whether we can turn this possibility into a reality depends on whether our subjective guidance and economic structure are correct and in accordance with objective economic rules in socialist society. In the 41 years since the founding of our nation, history and experiences have repeatedly showed that when subjective

guidance was in accordance with the pragmatic ideological line, and economic structure was in accordance with economic rules, the socialist system would show its superiority in the integration of macroeconomic balance and microeconomic vitality. If the reverse were true, macroeconomic imbalance, or macroeconomic imbalance plus microeconomic stagnation, would occur, causing great losses to the national economy.

During the First Five-Year Plan period, macroeconomic balance was achieved, and the four major balances of finance, credit, materials, and foreign exchange were successfully maintained. The market was prosperous, and the general price level was stable. The economic growth rate was high, and economic returns were very good. Some small imbalances emerged during the period, but were quickly adjusted by conscious efforts. After the "three great transformations" were accomplished, the public ownership system was in a dominant position, but individual economy and sideline production among peasant households were still allowed to coexist and develop. The state market was the main body of the socialist unified market, but the free market was allowed to exist as a supplement. To conclude, during the First Five-Year Plan period, we basically realized the integration of macroeconomic balance and microeconomic vitality and efficiency. The CPC Central Committee's "Decision on Economic Restructuring" has correctly assessed the economy and economic structure in the First Five-Year Plan period.

During the 10 years of reform and opening up, unprecedentedly great achievements were made in the development of the national economy, and proper attention was paid to the integration of basic macroeconomic balance and microeconomic prosperity. The Third Plenum of the 11th CPC Central Committee corrected the past "leftist" mistakes and, under the guidance of the pragmatic ideological line, proposed the principle of "adjustment, reform, rectification, and improvement," as well as the policy of opening up to the outside world and bringing prosperity to the country. From 1979 to 1984, we were basically able to achieve the four major balances of finance, credit, materials, and foreign exchange, realizing macroeconomic balance.

The general price level was stable, the market was busy, and the supplies of many means of production and industrial consumer goods slightly surpassed demand, stimulating enterprises to engage in normal competition, while the operation and management standard and services of industrial and commercial enterprises all improved. During this period, some macroeconomic imbalances indeed occurred; in 1980, the general price level increased by 6 percent, but adjustment was promptly made and basic balance was restored. During this period, economic restructuring emphasized the invigoration of enterprises and market, and enterprises greatly expanded their self-determination rights. Through adjustment and reform, we saw overall bumper agricultural harvests for six consecutive years, industry

developed stably and steadily, and economic returns were good. Peasants and workers enjoyed a better life.

We also experienced large fluctuations when macroeconomic imbalance and microeconomic stagnation occurred during the period of the "Great Leap Forward" and the "Great Cultural Revolution." In the four years after the second half of 1984, a situation of macroeconomic imbalance and intensifying inflation occurred, and this affected the achievements in microeconomic prosperity which had been attained in the previous years. Since the Fourth Plenum of the 13th CPC Central Committee, because we have seriously implemented the principle of rectification and improvement, we have already made marked achievements in restoring macroeconomic balance. The several macroeconomic imbalances we have experienced were caused by the separation of subjective guidance and objective economic laws, and are avoidable and can be overcome; they are not necessities of the socialist system.

Pay Attention To Fully Developing the Dominant Function of Macroeconomic Balance

Between macroeconomic balance and microeconomic prosperity, relations of mutual promotion and mutual restraint exist. Maintenance of macroeconomic balance is the prerequisite for microeconomic prosperity. Without a balanced and stable macroeconomic environment, enterprises and market cannot become prosperous, and even if prosperity does come, it will cause chaos, and returns will not be good.

Microeconomic prosperity and good returns are the foundation for maintaining macroeconomic balance. If enterprises and market are not prosperous, while enterprises' economic returns are poor, then macroeconomic balance lacks a solid material base. Without microeconomic prosperity as a foundation, then stressing macroeconomic control and management, economic life will enter a dead end, and macroeconomic control and balance cannot be attained.

From an overall point of view, macroeconomics represents the state's overall and long-term interest; microeconomics often pays attention to local interests, therefore, macroeconomics plays the role of determining the overall situation, and is in a dominant position, while microeconomics is in a subordinate position.

Under the conditions of socialist planned commodity economy, the dominant function of macroeconomics has great significance. First, because the public ownership system has absolute ascendancy, the consequences of microeconomic activities are mainly to be shouldered by the state and the collectives, not the individual. Second, the proportionate and balanced development demanded by macroeconomics is attained not by market regulation, but by comprehensive balance of national economy and planned management. Third, the several major economic fluctuations appearing in the 41 years since the founding of our nation did not mainly result from

microeconomics, but from lack of macroeconomic control and serious proportionate imbalance. Therefore, to attain a sustained, stable, and coordinated development of the national economy, it is necessary to pay full attention to and develop the dominant function of macroeconomic balance, as we work on microeconomic prosperity and improvement of returns. For this purpose, when handling the relations between macroeconomics and microeconomics, the following principles should be observed:

1. Microeconomic prosperity must meet the demands of macroeconomic balance. Only by so doing can we improve the economic results for the whole society, and this is in accordance with the basic interests of the whole people. If the local interests materialized by microeconomic activities jeopardize the overall interests, then these interests violate the principle and demand of socialist economic development.

2. All the measures for economic development and economic restructuring must be considered for microeconomic returns on the one hand and macroeconomic returns on the other. We must consider whether they are beneficial to the planned, proportionate, and coordinated development of the whole national economy, and whether they are beneficial to attaining a good cycle of national economy and improving social and economic returns.

3. When creating microeconomic prosperity, we must consider whether macroeconomic management measures can follow suit. If the pace of microeconomic reform is too fast, chaos will occur because of lack of macroeconomic guidance, management, and supervision, thus, the original goal of reform cannot be attained. It can be said that the standard of macroeconomic management will, to some extent, determine the degree of microeconomic prosperity.

Comprehensive Rectification; Attain and Maintain Macroeconomic Balance

As early as 1956 and 1957, Comrade Chen Yun summed up the experiences acquired in the three years of the period of economic recovery, especially the First Five-Year Plan period, and systematically proposed the theory and principle of attaining and maintaining economic balance in socialist economic construction. Thirty years later, the party's 13th congress clearly pointed out: To attain a stable development of the national economy on the premise of improving returns, it is necessary to work hard to maintain a general balance between total social supply and total social demand. The crucial point in being able to do this is to appropriately control the total scale of the investment in fixed assets in the whole society, and to enable it to suit the country's strength; to reasonably grasp the increase in living costs, and to enable it to suit the development of production. It is necessary to earnestly strengthen and improve the comprehensive balance of the national economy, and to achieve balance of finance, credit, foreign exchange, and materials respectively, as well as a basic balance among

them. The Seventh Plenum of the 13th CPC Central Committee stressed: The principle of upholding comprehensive macroeconomic balance, and of sustained, stable, and coordinated economic development, is a profound summing up of the positive and negative experiences acquired in 41 years of economic construction since the founding of our nation, and a correct reflection of objective economic rules; the comrades in the whole party must always remember this point.

So, why has the situation of obeying the principle one minute and violating it another, or even talking about the principle while violating it occurred? There is the problem of ideological understanding, and the problem of policy and system. Only by radically correcting thinking, making decisions scientifically, and carrying out system reform, can we prevent the fluctuation which destroys macroeconomic balance from happening again.

1. In ideological guidance, we must always uphold the pragmatic ideological line, the principle of sustained, stable, and coordinated development of the national economy, and prevent the occurrence and spread of the trend of thought of seeking quick results. We must always use the spirit of rectification to compare our country's practical situation with the ideological situation by dialectical materialism. We must earnestly correct guiding thought.

2. We should uphold conscious, prompt, and routine small-scale adjustments, and prevent big fluctuations and big adjustments from occurring. Macroeconomic balance is a dynamic concept; only by continually overcoming small imbalances can we have lasting balance. The main means is adjustment, including adjusting the relations of proportion, speed of development, and economic structure and pattern. In the past 41 years, we have soberly and successfully carried out two small adjustments. In 1956 and 1981, we promptly corrected the situation of blind and rash advance and disproportion, and quickly restored or basically restored the situation of macroeconomic balance. Three times we have faced serious imbalance of relations of proportion, and we have been forced to carry out three big adjustments, and this made us pay a huge price. We should learn the lesson from history, and consciously carry out routine small adjustments in order to avoid being forced into big adjustments.

3. We should properly handle the relations between reform and adjustment, and the relations between microeconomic restructuring and macroeconomic restructuring. Regardless of economic development or economic reform, it demands a balanced macroeconomic environment as the premise. Under the conditions of seriously imbalanced national economy and serious inflation, not only is a stable and coordinated economic development impossible, but also it is difficult for reform to go on smoothly, while already launched campaigns can hardly be consolidated and cannot score predicted results. Therefore, we should first grasp economic adjustment, and carry out reform according to the

needs of the adjustment. The reform itself should include microeconomics and macroeconomics, the former aimed at microeconomic activities, the latter aimed at establishing a powerful macroeconomic regulatory and controlling mechanism. When both advance together and are tied closely, good results can be had.

4. The decision-making procedure should be scientific and democratic. Major problems concerning economic development and reform must go through scientific and democratic decisionmaking procedure. The economic departments concerned and the consultative departments concerned should first discuss and then put forward various plans for leaders to choose. When making decisions, leaders should first discuss with the experts, and different ideas can be debated, while the leaders themselves should humbly listen to different opinions, and compare them with their ideas. After the situation is clarified, the decision can be made; no rash decision or individual decision.

5. Some important proportions and principles which reflect the law of macroeconomic balance, such as maintaining the balance between total social supply and total social demand; the scale of investment in fixed assets must be suited to the country's strength, no capital construction is allowed when there is a budget deficit; the increase in living costs must be suited to the increase in the production of consumer goods; achieving balances of finance, credit, foreign exchange, and materials; etc. must be crystallized in detail, and written down as laws, which must be implemented with supervision.

6. Increase the independence of the central bank and the state's professional banks in implementing principles and policies. The main goal of monetary policy should be clearly stipulated as stabilizing the currency. The speed of economic development and the scale of construction can only be reasonably arranged on condition of monetary stability. The central bank should be granted the authority to implement the above-mentioned monetary policy, so as to enable it to really play a role in maintaining macroeconomic balance.

Article Evaluates Country's Balance of Payments

HK0603111491 Beijing JINGJI RIBAO in Chinese
16 Feb 91 p 3

[Article by Yu Lixin (0060 4539 2450): "An Analysis of China's Balance of International Payments During the Eighth Five-Year Plan"]

[Text] The Seventh Five-Year Plan period is one in which China had frequent international contacts and the Chinese economy registered rapid growth. In terms of the balance of international payments as a whole, compared with the Sixth Five-Year Plan period, in addition to the two traditional items, i.e., foreign trade and overseas remittance, other nontrade contacts, such as tourism, transport, labor service contracts, and capital items, returned to normal and developed one after another. With the changing composition in the balance

of international payments, the number of partners in international contacts increased and the scope of China's balance of international payments kept on expanding. The growth in capital income and expenses was especially obvious, with the volume rising from \$3.8 billion in 1980 to \$33.37 billion in 1988. By the end of October 1990, the agreed-upon amount of foreign capital used by China during the Seventh Five-Year Plan was \$60.96 billion and the actually used amount was \$44.47 billion.

It should not be ignored that there were imbalances between international income and expenses in some individual years during the Seventh Five-Year Plan, conspicuously the deficits in foreign trade, regular items, and balance of total income and expenses that emerged for the years between 1986 and 1988. Of these deficits, 40 percent was repaid with the state's foreign exchange reserve and 60 percent was made up with foreign debts. As a result of a substantial increase in net capital inflow, the balance of foreign debts rose markedly, reaching \$45.4 billion by the end of June 1990. Therefore, judging by a dynamic point of view, the imbalance between international income and expenses in some individual years during the Seventh Five-Year Plan will have a certain effect on China's balance of payments in the Eighth Five-Year Plan.

First, correct application of macroeconomic regulation policy serves as a basis for achieving a balance in international payments in the Eighth Five-Year Plan period.

The Eighth Five-Year Plan period will still be one of sustained growth in the Chinese economy. Internationally, however, over \$40 billion will be spent on the unification of the two Germanys and, because of the impact of the stock market and interest rates in recent years, Japan will also draw capital scattered all over the world in order to recuperate. This, plus the effect of the Gulf war on the economies of various countries, will result in the world facing a relative capital shortage. Consequently, in balancing our international payments, we should base ourselves on our own country, adopt a correct macroeconomic regulation policy, and avoid great fluctuations of international income and expenses.

Viewed from the direction of its functions, the regulation policy can be divided into expenditure shifting policy and expenditure changing policy. The former increases export, reduces import, and improves the balance of international payments by adjusting the exchange rates, changing tariffs and quotas, adjusting the relative prices of import and export commodities, and raising the competitiveness of export commodities on the international markets, thus effecting a shift between import and export commodities and between trade and non-trade commodities. The latter suppresses or stimulates total demand by implementing a contracted or expanded policy on finance, currency, and income and reducing or increasing total expenditure, thus correspondingly changing import and export demands.

A correct policy of regulating the balance of international payments during the Eighth Five-Year Plan is to make a timely shift from stressing management of total demand to stressing structural adjustments. That is to say, we should adopt a package of regulatory measures, including structural adjustments and demand management, to regulate the balance of international payments. We should apply the dual means of planning and economy, such as adjusting the exchange rates and adopting support measures, to utilize as far as possible the country's idle resources, such as the surplus labor in rural areas, military-turned-civilian technology, and renewable natural resources, expand export, and shift products to the international markets. Resolute efforts should be made to reduce processing industries that yield poor returns, consume a lot of material and energy, and have no markets for their products at home and abroad, so that the state industrial policy can tilt toward export-oriented economic and industrial departments. We should encourage foreign-related economic businesses, including township and town enterprises, to develop the manufacture of exchange-earning products so that the country's effective supply can increase with the implementation of the expenditure shifting policy.

Second, an important way to achieve balance of international payments in the Eighth Five-Year Plan is to effectively use financing means.

In the first part of the Eighth Five-Year Plan, China will face the first peak time since the reform when the principal and interest of foreign debts should be repaid. Therefore, it is important to make an effective use financing means, work out medium- and long-term planning for balancing revenues and expenditures, and increase the purposefulness, scientific character, and initiative in regulating the balance of international payments. Usually, we have to pay a corresponding price for the use of financing means to regulate the balance of international payments. Internal financing enables a country to possess a certain amount of international reserve and thus provides a guarantee for the balance of international payments; however, international reserve represents a certain amount of practical resources. When we preserve international reserve, this would mean we have to give up the right to use the practical resources. The greater the amount that is preserved, the more practical resources lie idle. This is also the case with external financing. Although we can make up short-term deficits by raising foreign capital, we must repay the principal or reschedule it when the loan comes due. This not only entails risks and uncertainties but also represents a burden which may eventually lead to new deterioration in the balance of international payments.

For this reason, we should reexamine and adjust the policy of using foreign capital, work out medium- and long-term financing planning, and define the adjustment aim of the balance of international payments so that financing can become an effective means for regulating the balance of international payments.

1. Pay attention to the convergence of near- and long-term regulation objectives. Judging by the planning regulation objectives, we should, in the near term, lay particular stress on achieving a balance, with some to spare, between revenues and expenditures in terms of foreign trade and regular items, in order to suit the need of repaying the principal and interest on foreign debts. In the long term, however, we should, while effectively using foreign capital, rationally fix the pattern of debt lengths, and maintain a sustainable deficit in regular items in order to boost the sustained, stable, coordinated, and rapid growth of the national economy.

2. Reexamine and regulate the orientation pattern of foreign capital. Experience shows that different orientation patterns of foreign capital have different regulatory roles in balancing the international payments. 1) In the short term, the pattern of using foreign capital to increase the output of domestic consumer products can develop the economy and raise the consumption level but, in the long term, it will lead to the early maturity of consumption and the assumption of debts. 2) The pattern of putting foreign capital into the country's "bottleneck industries" or the production of import substitutes has some positive significance in stimulating the overall development of the national economy, but the new production capacity will be eaten up by the low economic returns of the domestic industries and our export and debt-repayment capabilities cannot be speedily increased. 3) The pattern of putting foreign capital into export industries will quickly wipe out trade deficits and substantially increase foreign exchange reserve. While the economy develops rapidly, the more expanded the scope of foreign capital introduced into the country, the smaller our debt burden. We can thus see that, viewed from the angle of improving the balance of international payments, the foreign exchange introduced during the Eighth Five-Year Plan should principally be directed toward export industries, substituted by bottleneck industries and import-substitute industries.

3. Readjust foreign capital composition. It is necessary to change the situation prevailing in the Seventh Five-Year Plan period whereby commercial loans accounted for a big proportion, loans between fund organizations and governments accounted for a small proportion, and direct foreign investments accounted for an even smaller proportion in foreign capital composition. In the Eighth Five-Year Plan, we should introduce more direct foreign investments, absorb more loans between fund organizations and governments, and prudently use commercial loans in order to avoid the shortage of foreign exchange as a result of debt repayment.

4. Vigorously utilize the different lengths of international financing and loans and use the existing international reserve as a backing to obtain international financing more favorable to our economic development, "use new debts to repay old ones," increase our ability to fulfill debt contracts, and have more room to repay debts.

Minister Views Development of Steel Industry

HK2602070391 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 12 Feb 91 p 1

[Report by correspondent Liu Litian (0491 7787 1131): "Qi Yuanjing, Minister of Metallurgical Industry, on Development Strategy for China's Iron and Steel Industry"]

[Text] In an interview with this reporter, Qi Yuanjing, minister of the metallurgical industry, said that the five years of the Seventh Five-Year Plan were a period in which China's iron and steel industry advanced at a quick pace, changed drastically, and developed vigorously. Steel output for 1989 exceeded 60 million tons and rolled steel, 51.21 million tons, thus overfulfilling the state quotas two years ahead of schedule. The progress in these fields laid a solid foundation for China's iron and steel industry to meet the needs of national economic development in the 1990's and to implement the 10-Year Program and Eighth Five-Year Plan for national economic and social development.

In view of the three major problems of the quantity of China's existing iron and steel industry falling short of the needs of national economic development, the product mix not being suited to the change in industrial setup of the national economy, and the product quality not meeting the technological progress of the national economic departments, Qi Yuanjing made the following statement. While improving the external conditions for the iron and steel industry in the coming 10 years, it is necessary to pay close attention to finding internal cause, tapping latent potentials, and taking the road of intensive management to expand reproduction; shift the focus of investment onto structural readjustment, shift the focus of production onto variety and quality, and shift the focus of operation and management onto relying on scientific and technological progress, enhancing management, and increasing efficiency; and promote the sustained, steady, and coordinated development of iron and steel industry and the national economy as a whole.

Qi said the fundamental improvement in the structure of iron and steel product variety requires building of a number of new rolling mills and corresponding metallurgical equipment, the marked improvement in product quality requires major technical transformation, and an end to the backwardness of mines and raw materials industry requires an increase in input. Investment in fixed assets in iron and steel industry during the Eighth Five-Year Plan will not increase sharply, and loans granted by the state will be more or less the same as that during the Seventh Five-Year Plan. Therefore, while optimizing its investment structure, the iron and steel industry should make effective use of capital and realize better returns.

During the Eighth Five-Year Plan and the next 10 years, Qi Yuanjing said, iron and steel trades will achieve successes in the following four aspects:

First, with the stress on variety structure, readjust the internal setup of iron and steel industry in an all-around way. By the year 2000, attention will be focused on 100 crucial varieties of rolled steel, based on plate that has been on short supply for a long time and will have an important bearing on national economic development; giving priority to the development of mines and stepping up the building and expansion of a number of key iron mines including the Qidashan in Anshan Iron and Steel Corporation, Jianshan in Taiyuan Iron and Steel Corporation, and Nanfen in Benxi Iron and Steel Corporation and a number of raw materials mines including the Luobusa Chromium Mine in Tibet and Dounan Mangane-nese Mine in Yunnan; and vigorously developing enterprise groups based on large and medium size enterprises which complement each other with their strong points and share work in light of their specialties, and promote the rational flow of assets. Before the year 2000, a number of large enterprise groups which are influential at home and abroad will be set up.

Second, focused on improving material quality, comprehensively enhance quality work concerning iron and steel industry and ensure that quality of large numbers of products can reach the advanced levels of similar products of other countries. Make full use of the means of macrocontrol and regulation, price policies, and other economic measures to guide and urge enterprises to constantly improve product quality.

Third, focused on the quality of the contingent of steel workers, comprehensively improve the overall quality of the iron and steel industry. In-service education of the personnel at various levels will be stepped up and the technological, professional, ideological, and political qualities will be improved. Focused on upgrading the technological level of the large iron and steel corporations, the technological progress of the iron and steel industry will be promoted. By the year 2000, technological equipment in a number of enterprises should reach the levels of the 1980's of the industrialized countries while some should catch up the level of the developed countries at that time.

Fourth, focused on tapping latent potentials, comprehensively increase the economic efficiency of the iron and steel industry. Increase the productivity of key equipment, including the continuous casting machine, as quickly as possible. Working procedure and energy consumption quotas of a number of key enterprises should approach or reach current European and American levels.

Government Plans To Fund Coal, Power Projects

*HK0403013791 Beijing CHINA DAILY in English
4 Mar 91 p 2*

[By staff reporter]

[Text] The central government has pledged 23 billion yuan (\$4.4 billion) for the construction of coal and power projects this year, in what is considered a significant move towards executing the nation's future development strategy.

According to officials at the State Energy Investment Company which implements central economic planning, this year China will fund the building of a total of 75 mine shafts with an annual output capacity of 112.12 million tons of coal and 75 power projects with a planned generating capacity of 32.83 million kilowatts.

The investment was arranged by the company under the supervision of the State Planning Commission.

The Eighth Five-Year Plan, which is under deliberation and will start this year, calls for major efforts to develop the nation's energy industry.

The blueprint stresses the construction and expansion of "a number of large and middle-sized power stations and coal mines." The plan pays special attention to the building of coal production bases in Shanxi, Shaanxi, Inner Mongolia and Ningxia and hydro and thermal power stations.

China plans to increase its coal output to 1.23 billion tons and power output to 810 billion kilowatts by the year 1995.

The investment plan this year will create 41 new mine shafts with an annual output capacity of 79.7 million tons, and begin work on 34 coal shaft renovation projects with an annual capacity of 32.42 million tons, and 18 coal-washing plants with an annual capacity of 52.4 million tons.

Of these projects, 23 mine shafts and 9 coal-washing plants will be completed this year.

The cost of the coal projects is estimated at 8.1 billion yuan while the cost of the power projects is estimated at 14.8 billion yuan.

The money used will not include funds raised from issuing bonds, the corporation officials said.

They said the State investment would account for 85 percent of the funds required for the coal projects and 55 percent of the funds needed for the power projects.

The power projects started this year will cover Shuikou, Yantan, Manwan, Geheyan and 23 other large hydro-electric power stations with an installed capacity of 14.47 million kilowatts. Construction will also start on 52 thermal power plants this year, including Wujing, Beilungang, Pingyu, Jiangyou and Weihe with a total installed capacity of 18.16 million kilowatts. The State also plans to pump funds into 218 power transmission and transformer projects this year.

Corporation officials expect that the building of 20 power generating units of 3.29 million kilowatts and 3,521 kilometers of power lines will be completed this year.

The corporation has urged project contractors across the country to tighten control of their construction budgets.

"They've been told to carefully design, work and strictly control their budgets," the corporation officials said.

The contractors are required to lower production costs, reduce waste and shorten the construction period. They are prohibited from working on construction projects that are not part of the State plan, the officials said.

LIAOWANG Article Reviews Economy in 1990

HK0403141391 Beijing LIAOWANG in Chinese
No 2, 14 Jan 91 pp 19-21

[Article by Zhang Zhongji (4545 6988 1015): "Good Results Have Been Attained in Macroscopic Regulation and Control; the Deepening of Reform Is a Very Important Task—A Review of the Economy in 1990"]

[Text]

Gratifying Changes in Economic Development

The mainstream of the national economy over the past one year has developed soundly, and good results have been achieved in economic improvement and rectification. This is mainly reflected by the following:

(1) **Total social supply and total social demand tend to be balanced, and the increase range of commodity prices has obviously narrowed.** In 1988, owing to the increase of investment and consumption, the rate of difference between total social supply and total social demand reached as high as 16.2 percent. After reducing the demand in 1989, the rate of difference was reduced to 8 percent. In 1990, total social supply and total social demand were basically balanced. Since supply and demand tended to be balanced, the inflation obviously "deflated." In the first three quarters of 1990, the increase range of retail prices on the market tended to narrow. When compared to the previous year, it increased by 3.3 percent in the first quarter, 2.2 percent in the second, and 0.6 percent in the third. In the fourth quarter, since all localities had concentrated on readjusting the prices of some commodities and labor services, the increase range of commodity prices on the market tended to widen. The prices of some daily necessities, such as fuels, cotton and woven products, and services increased by a relatively large margin. The average increase range of commodity prices in the year was approximately 2 percent, and this was obviously lower than the 17.8 percent in 1989. The increase range of the prices of production means gradually narrowed as well. According to the Resources Information Center's statistics, compared with the corresponding period in the previous year, the general level of the prices of 15 major production means increased by 7.5 percent in the first quarter and 0.6 percent in the second, and decreased by 0.1 percent in the third. The difference between the market prices and planned prices of such materials as coal, steel, copper, aluminum, and cement obviously narrowed.

The above-mentioned situation shows that the main reason for the increase of commodity prices has changed from the pull of demand to planned readjustment.

(2) **A bumper agricultural harvest was reaped; a breakthrough was made in grain output which had fluctuated over the years.** According to the estimates of all localities, total grain output across the country in 1990 exceeded 420 billion kilograms, 12.5 billion kilograms more than the historic record of 1989. Cotton, oil-bearing crops, and sugar crops also had bumper harvests. Pork, beef, mutton, eggs, aquatic products, vegetables, fruit, and others also increased to varying degrees. The total agricultural output in the year increased by more than 5 percent over the previous year.

(3) **Industrial output gradually improved from a low growth rate.** Industrial output improved from a low, fluctuating growth rate at the beginning of the year, and when compared with the corresponding period in the previous year, the total industrial output remained at an even level in the first quarter, increased by 4.1 percent in the second, 5 percent in the third, 12.7 percent in October, and 15 percent in November. It is expected that the total industrial output in the whole year increased by 6 percent, which is the planned target.

(4) **Social demand increased and the domestic market revived from its sluggishness.** As macroscopic retrenchment was adjusted to an appropriate degree, total social demand gradually bounced back, as fixed assets investment of people-owned units from January to November reached 165.3 billion yuan, an increase of 8.4 percent over the corresponding period in the previous year. The total wages for staff and workers were 246.5 billion yuan, an increase of 11.5 percent. Since total social demand increased, the domestic market, which had been sluggish, began to revive. The total volume of retail sales in June rose by 1.4 percent over the corresponding period in the previous year, and it gradually rose in the ensuing months, to 10.3 percent in November. After reaping the autumn harvest, the rural market began to improve. In November, retail volume of consumer goods at and under the county level rose by 5.4 percent over the corresponding period in the previous year. The retail volume of agricultural production means rose by 9.3 percent, reversing the situation in the previous three quarters, during which negative growth rates appeared. The total retail volume of commodities in society in the year was approximately 830 billion yuan, an increase of more than 2 percent over the previous year.

Since September, sales on the market of production means began to increase. Compared with the corresponding month in the previous year, the sales volume of the production means under the materials system increased by 6.3 percent in September, 14.4 percent in October, and 19.3 percent in November.

(5) **International income and expenditure obviously improved; import and export changed from trade deficits to a favorable balance.** According to customs statistics, from January to November, exports amounted to \$53 billion, an increase of 16.2 percent over the corresponding period in the previous year. Imports amounted to \$45.9 billion, a decrease of 12.2 percent from the

corresponding period in the previous year. After excluding the goods from which no foreign exchange can be earned, such as free aid, materials to be processed, and the imported equipment of foreign businesses, exports were \$10.6 billion larger than imports, thus putting an end to trade deficits over the years.

(6) Structural readjustment is beginning in some areas.

First, the uncoordinated situation of agricultural and industrial development has been changed. The ratio between agricultural and industrial growth rates was 1:5.3 in 1988, 1:2.7 in 1989, and 1:1.2 in 1990. Second, the growth rates of energy and industry began to come closer. The ratio in 1988 was 1:4.2, while in 1989 it was reduced to 1:1.4 and this was maintained in 1990. Shortages in coal, electricity, and oil supplies were alleviated. Textiles and other light industries were able to adapt to market changes. New products and new varieties were vigorously developed to give consumers more choices. Third, the investment structure was readjusted. The growth rates of investment in basic industries and basic facilities exceeded those of overall investment. Fourth, the import and export commodity structure was improved. Some consumer goods whose importation is limited by the state, including electric products, machines, tobaccos, wines, drinks, and cosmetics, decreased by one-third from the previous year. Raw materials whose supplies are short and whose export is limited, such as cotton, cotton yarn, metals, and metallic sand, decreased by more than 1 percent from the previous year. Fifth, township and town enterprises were making progress in the process of readjustment. Jiangsu, Zhejiang, and other places which are expediting the development of the export-oriented economy and in which township and town enterprises are concentrated, have revived again after a period of stagnation. In addition, good progress was made in the stock readjustment of the industrial structure including enterprise merger and the development of business conglomerates.

(7) The economic order has been brought to normal from chaos.

So far, after company screening and rectification, the number of all sorts of companies closed and merged in all localities and departments reached over 100,000, accounting for 34.5 percent of the total number of companies throughout the country and representing over half of the companies in the circulation field closed or merged. Some law-breaking and discipline-breaking cases were seriously investigated and handled, and a number of criminals were punished. At present, the number of units and personnel engaged in illegal operations decreased. Phenomena such as unreasonably raising prices and fees have been held in check. A new order of circulation is being established.

The above-mentioned situation shows that with the efforts of everyone in the country, the previous phase of economic improvement and rectification produced a good effect and the national economy is continuously developing well.

The Difficulties and Problems Faced

Despite the fact that China's national economy has improved, the high-input and low-output economic operations and the problems accumulated over the years made it difficult for the entire economy to embark on a benign cycle within a short time. The present situation is still grim, and the tasks of economic improvement and deepening the reform are still rather important and long-lasting. The following are the major aspects:

We have not been able to rid the national finance of difficulty. For a long time, China's national finance has shouldered two major heavy burdens—namely, commodity price subsidies and enterprise loss subsidies. These two kinds of subsidies amount to nearly 100 billion yuan each year. Some new factors for decreases in income and increases in expenditure emerged in 1990, thus enhancing the financial difficulty: First, enterprises' economic results continued to decrease, so that the profits and taxes turned over decreased whereas losses increased considerably. Second, expenditure for the repayment of debts increased. At the end of 1989, the outstanding domestic debts amounted to 80 billion yuan and foreign debts to \$41.3 billion, and now is the peak time for debt repayment. The principle and interests repaid in 1990 for domestic and foreign debts were 2.7 times bigger than those in 1989. Expenditure for debt repayment in the next few years will continue to increase, and it will be very difficult to obtain financial balance.

Currency issuance still exceeds the economic capacity, and this situation has not been changed. From January to November 1990, the net increase of various loans amounted to 248.6 billion yuan, an increase of 102.4 billion yuan over the corresponding period in the previous year. Numerous loans were converted into savings and cash. Therefore, the wide volume of currency supplied (namely cash plus all sorts of savings minus financial savings,) increased by 24.5 percent over the corresponding period in the previous year and greatly exceeded the normal need of economic development. Judging by the law of currency operations, it is impossible for the increase of single items of the wide volume of currency supplied to hold out for a very long time. After a definite period of gradual levelling, they will inevitably entail cash input. If we merely use credit to support economic recovery, we will very probably store up the potential danger of sparking off inflation. Presently, we mainly depend on loan repayments to control the issuance of currency. At the end of November, the balance savings of city and rural residents throughout the country was 693.2 billion yuan, an increase of 178.5 billion yuan over that at the beginning of the year. This plus the cash in hand of residents makes the balance purchasing power near 900 billion yuan. The enormous balance purchasing power puts potential pressure on the market. It is not a "tiger" but it can be a "tiger." It is good for promoting economic development, if commodity prices on the market are stable. If the economy is

turbulent and commodity prices fluctuate, its consumption by even 1 percent or more will have a great impact on the market.

Enterprises' economic results continued to decrease. From January to November 1990, the budgetary profits and taxes turned over by state industrial enterprises were 115.3 billion yuan, a decrease of 18.8 percent from the corresponding period in the previous year. The losses of enterprises that had already been losing money doubled. The fact that market recovery lagged behind increases in production brought an uneven cycle of industrial reproduction, and we did not succeed in producing without overstocking. At the end of November, finished products occupied 118.2 billion yuan of funds, an increase of 28.2 percent over the beginning of the year. In addition, "triangular debts" increased considerably. This caused large amounts of circulation funds to remain held up. The economic results of business enterprises obviously decreased also. The profits and taxes turned over by state enterprises and joint-ventures decreased by approximately two-thirds from the corresponding period in the previous year.

The above-mentioned problems are mutually linked and mutually limiting. In essence, they are the reflections of underlying contradictions such as the irrational economic structure and system. In trying to eliminate these underlying contradictions, we are in a dilemma in many respects. For example, the optimization of resource distribution is the important means to readjust the structure and increase economic results. But the optimization of the structure is naturally followed by the closing and merging of a number of enterprises and by the unemployment of a number of staff and workers. The current unsound social security system and the high rate of unemployment will affect the stability and unity in society. Price reform is the key to all reforms, but we are afraid that if we adjust the prices, we may trigger off price hikes, making residents unable to bear it. We should reverse the situation in which the financial share of central authorities is excessively low; however, if we do this, we fear it will dampen the initiative of local authorities and enterprises. As for making a choice in the "dilemma," since the program of economic improvement and rectification in the previous phase stressed immediate stability, it slowed down the pace of reform.

The Prospects for Development and Countermeasures

A comprehensive observation of the operational process of the national economy at the present time shows that choosing different macroscopic decisions will produce different prospects for development.

The first choice is paying attention to the organic integration of immediate results and long-term results and striving for a benign economic cycle. In making decisions, we should seek appropriate economic growth rates while paying attention to the gradual rationalization of the economic structure and operational mechanism. We should carry out necessary reform at a time when the contradictions at the superficial

level have been alleviated, properly coordinate the relations among readjustment, reform, and development, and use reform to promote readjustment and readjustment to seek development.

The second choice is stressing temporary stability and allowing the economy to operate with existing problems. In making decisions, we should emphasize the regulation and control of aggregate amounts and pay less attention to the elimination of underlying contradictions. This can only bring about a temporary solution and is the same old road of high input and low output. By doing this, the risk will be less and the economy will probably continue to recover within a definite period. But problems deriving from the irrational economic system and operational mechanism, such as a bad structure and low economic results, will again stand out. It would be difficult to reach completely the goal of economic improvement and rectification and will leave potential adversity for economic development in the future.

The third choice is stressing quick economic recovery within a short period and unilaterally seeking output value. In making decisions, we should relax all-directional macroscopic regulation and control and inject a "stimulant" into the economy. By doing this, it is possible to bring a short-term economic boom shortly. But the boom is temporary, the real danger lasts. Under the current perverted structure, another new inflation of demand will be quickly sparked off, obliterating the results of the program of economic improvement and rectification.

Of these three choices, the first is obviously the best. To reach the goal stated in it, we should properly do the following tasks this year:

Unify thought and action. In improving and rectifying the economy and deepening reform, it is necessary to readjust the current interest pattern, whether in controlling demand, readjusting the economic structure, or enhancing the capacity of macroscopic regulation and control. If we do none of these, it will be impossible for us to overcome the difficulties and remove the factors causing economic instability. Therefore, it is necessary to have one single thought throughout the country, and proceeding from the overall situation, we should jointly shoulder the country's difficulties and make the partial interest subject to the overall interest, immediate interest to the long-term interest, and individual interest to collective interest, thus jointly improving economic improvement and rectification and the deepening of reform.

Further readjust the economic structure. The key to the sustained, steady, and coordinated development of the economy is the rational economic structure and appropriate proportion. The first thing to do in readjusting the economic structure is to energetically strengthen agricultural development. We must never neglect or even weaken agricultural development after reaping last year's bumper harvest. We should continue to make efforts to step up the production of energy and raw materials, and

enhance transportation capacity. In keeping with the demand of agricultural policies, we should conscientiously improve the investment structure, further reduce investment of a general nature, and increase the investment of basic industries, especially investment in the development of agriculture, coal, petroleum, electricity, and railways.

While optimizing the economic structure, we should make great efforts to ensure the full use of productive factors and their reasonable distribution, and conscientiously improve economic results.

Integrate economic improvement and rectification and the deepening of reform, and gradually increase the proportion of reform. On the basis of summing up the experiences of reform and in making it a goal to practice the planned commodity economy, we should draw up medium-term and long-term programs, confirm the emphasis during each period of reform and various comprehensive matching reform measures, and promote the successful carrying out of reform. The reform measures that should first be considered in the near future are: First, improving the social security system. If we do not carry out reform in this area first, reform in all other areas cannot follow in a stable environment and it will be difficult to start structural readjustment on a wide scale. Second, carrying out price reform. Price reform should be favorable to the reduction of financial subsidies. We should, on the prerequisite of improving comprehensive balance, especially credit balance, seize the golden opportunity afforded when the supply-demand contradiction on the market has been alleviated, and vigorously introduce reform measures in a steady manner and step by step. Third, improving and developing the enterprise contract management responsibility system. This should be favorable to mobilizing the initiative of enterprises in developing and regulating themselves, straightening out their various internal relations, and bringing into play the initiative of the masses.

Administrative means must be integrated with economic and legal means. Since the reform and opening up, there have been changes in China's economic structure and operational mechanism. First, the multiple economic sectors based on public ownership as the mainstay and multiple economic modes coexist. Second, the scope and function of market regulation have obviously enlarged. Third, the diversified pattern of economic interest has been established. Fourth, the self-governing powers of local authorities and enterprises have expanded, giving form to economic management at different levels. The above changes demand that we establish a sound macroscopic regulatory system and use economic, legal, and administrative means at the same time to enhance the timeliness and effectiveness of macroscopic policymaking and management and make it more scientific so as to promote the sustained, steady, and coordinated development of the economy.

Improve the economic environment and social environment at the same time. Leaders at all levels should take

the lead in fostering honesty, improving leadership, and unifying the broad masses for a struggle against social evils. Moreover, we should carry forward the fine traditions of self-reliance, hard work, saving money for nation building and for every undertaking, and stimulate the masses' initiative, creativity, national self-esteem, and self-confidence.

Jiang Zemin, Li Peng Commend Aviation Units

OW0403161491 Beijing XINHUA in English
1534 GMT 4 MAR 91

[Text] Beijing, March 4 (XINHUA)—Chinese leaders Jiang Zemin and Li Peng encouraged manufacturers and pilots of Yun-7 light passenger aircraft to make new contributions to China's aviation industry.

At an awards ceremony held today in Beijing to honor the Yun-7s safety record—176,000 hours of safe navigation and 169,000 take-offs, Premier Li Peng stressed that China should develop its own aviation industry. He called on the manufacturers to be bold in initiating new practices and blazing new trails in future.

The 48 domestically produced Yun-7 aircraft have played an important role in the economic development of the country's border and remote areas over the six years, according to Li.

The premier urged the plane manufacturers to maintain tight controls on quality, and to make the plane safer, more comfortable and convenient.

State Councillor Zou Jiahua said that China has accumulated valuable experience in the design, production and navigation of medium distance and light passenger aircraft by producing the Yun-7.

Zou called for even greater advancement in civil aviation transport during China's Eighth Five-Year Plan period (1991-95).

Sixteen advanced units and 298 model workers from the civil aviation industry were commended at today's ceremony.

Article on Contract System in Rural Areas

HK0103065591 Beijing GUANGMING RIBAO
in Chinese 2 Feb 91 p 3

[Article by Chen Jiyuan (7115 0679 0337) and Qin Shaoxiang (4440 1421 4161): "Stabilize and Improve the System of Contracted Responsibilities on the Household Basis, With Payment Linked to Output in the Rural Areas"]

[Text] The responsibility system centered on contracted responsibilities on the household basis with payment linked to output is the first cornerstone in the great reform in our country's rural areas during the past 10 years. Up to now, it has become the production style which is closely linked to China's largest group of working population. In more than 10 years, this basic system has extensively aroused enthusiasm among the

great masses of peasants for production and enabled China's rural areas to undergo historical changes. The "Communique" of the Seventh Plenary Session of the 13th CPC Central Committee stressed again that "the responsibility system centered on contracted responsibilities on the household basis, with payment linked to output, is suited to the current stage of productive forces in our country's rural areas." This illustrates our party's full affirmation and understanding of the great vitality of this basic system.

Not long ago, some people questioned the historical mission and even the nature of the responsibility system centering on contracted responsibilities on the household basis, with payment linked to output. In order to answer this question more clearly, we might as well briefly reflect on the original intention and standardization process of the implementation of this basic system. People will not forget that in the late 1970's and the early 1980's, our duty was to inherit the positive achievements in the system of agricultural cooperation on the one hand, and overcome many shortcomings on the other hand; we had to maintain overall social and economic stability and avoid the destruction of productive forces on the one hand, and promote the development of productive forces through adjusting the relations of production on the other hand. The responsibility system centered on contracted responsibilities on the household basis with payment linked to output enabled us to find a way to solve this difficult problem. Peasant household operation was introduced to socialist cooperative economy, and at the same time, when the active role of household as a basic unit for agricultural production and operation was developed, attention was paid to continuing and developing the positive role of centralized operation within the cooperative economy; thus, the dispersed household operation was closely integrated with the centralized collective operation. The process of practice proved that the basic content of this system was not only in accordance with the socialist system, but also possessed economic rationality. Up to now, in the long agricultural history in China, in most of China's rural areas, no operation system can match this system.

The introduction of peasant household operation to socialist cooperative economy, is a choice made by 800 million peasants. To solve China's agricultural problems, and even to solve the whole problem in the rural areas, the peasants' wishes must be respected, and their enthusiasm must be aroused. To stabilize the peasants' mind, it is necessary to stabilize the responsibility system centering on contracted responsibilities on the household basis, with payment linked to output; this is a basic system, and a practical choice we make for maintaining long-term and stable agricultural development.

Of course, as a new thing, the system of contracted responsibilities on the household basis with payment linked to output is not perfect in every aspect, and there are many aspects which must be improved. According to our understanding, we have to stabilize it, because, in our country's agriculture, it has already become the most

basic and most general organizational style, production style, or economic system, which has great potential and embodies socialist cooperative economy; we have to improve it, because, during the operation of the system in the past, some localities faced many problems in the area of the relations between centralization and decentralization, and between collectives and individuals. Today, we have experience in the practice of reform for more than 10 years, and we are completely able to deepen the rural reform to improve the responsibility system centered on contracted responsibilities on the household basis with payment linked to output and to enable the system of "integration of centralization and decentralization, and of two-tier operation" to fully develop its functions.

The active development of the social service system is an important content of the improvement of the system of contracted responsibilities on the household basis with payment linked to output, and, at the same time, it is a difficult and complicated task. It is a complicated organizational system providing services to peasant households before, during, and after production, and it mainly includes the technological service system, materials supply system, and products marketing system. It can effectively overcome the limited nature of dispersed peasant household production and operation; help peasants solve the problems which arise from the production process and which they as individual households cannot solve; upgrade the level of cooperation among the dispersed peasant households; enable labor, funds, and technologies in the rural areas to integrate optimally; enable production, supply, and sale to integrate into an organic whole; and increase peasant households' ability to resist the external environment.

The document entitled "Some Problems of the Current Rural Economic Policy," published by the CPC Central Committee in January 1983, pointed out: "The crucial point in improving the system of contracted responsibilities on the household basis with payment linked to output is to properly handle the relations between centralization and decentralization through contracting." However, in the process of implementation, because the reform itself has great spontaneity, many localities have misunderstood this operation system, and they simply viewed it as "decentralization," to the extent that this operation system, which "integrates centralization and decentralization and which has two-tier operation," one which is very perfect theoretically, lost the foundation for the tier of centralized operation. In many localities, collective agricultural economy existed in name but not in reality, and the tier of centralized operation was weak. It is necessary to point out that when we improve the two-tier operation system which integrates centralization with decentralization, we must prevent the old system from coming back; it must be done within the framework of collective ownership of land and of the practice of contracted responsibilities on the household basis with payment linked to output. Other than actively developing the social service system, it is necessary to improve

the system of use of land, check peasants' short-term behavior, and strengthen household operations; strengthen the management of contracts and gradually standardize it; and strengthen the collective economic strength, enhance the charm of collective to peasant households, and enable centralized operations to have a reliable economic foundation.

Today, after we have gone through more than 10 years of rural reform, our party has decided to "stabilize the responsibility system centering on contracted responsibilities on the household basis, with payment linked to output, as a long-term and basic system," when drafting and implementing the 10-year program and "Eighth Five-Year Plan." "On this basis, actively develop the social service system, improve the two-tier operation system which integrates centralization with decentralization, and gradually strengthen the collective economy." We believe this will enable the responsibility system centered on contracted responsibilities on the household basis with payment linked to output to fully develop its great potential.

Commentary Discusses Reform of Land Use System

HK0603092791 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 22 Feb 91 p 3

["Economic commentary" by staff reporter Jiang Yaping (5592 0068 1627): "Change Triggered-Off by Experiments in Shenzhen: Comments on Reform of the System of Using State-Owned Land"]

[Text] According to China's Constitution, the land in China is divided into two parts: The land owned by the state and the land owned by the collective. The main characteristics of the original system of using state-owned land are: The use of the land is uncompensated and indefinite, and the right of using the land is untransferable. In those years, the method of uncompensated use of state-owned land played a positive role in reducing expenditure and product cost and speeding up the development of state-owned industry; however, in the years of reform and opening up, as the development of the socialist commodity economy is being speeded up, the defects of the old system, such as the serious waste of land resources, the irrational structure of the use of land, and the merely nominal state ownership of land, are becoming more and more obvious. The first changes took place in the Shenzhen Special Economic Zone [SEZ], the forefront of China's reform and opening up. In 1982, Shenzhen decided to restrict the use of land in the city and to collect land use fees. The introduction and development of the market mechanism was a turning point for reform of the system of using state-owned land in Shenzhen. On 1 December 1987, Shenzhen sold land use right by auction for the first time. In the second half of the same year, by selling three pieces of land, it earned more than 23 million yuan. The selling of land use right, which helped raise huge funds for urban construction, was then called "an important breakthrough in the theory and practice of China's land

management system." At the beginning of 1988, Shenzhen abolished the "double-track system" in the use of land and announced that a system of compensated use of land would be adopted throughout the SEZ.

What Shenzhen did was criticized by some people at that time, because the Constitution stipulated that "no organization or individual may appropriate, buy, sell, or lease land, or unlawfully transfer land in other ways." To support the reform of the system of using state-owned land, the First Session of the Seventh National People's Congress discussed and examined an amendment to the Constitution, in which an article on the "transfer of land use right according to law" was added and the former article forbidding the leasing of land was deleted, providing a legal basis for reform of the system of using land in our country. In May 1990, the State Council issued the "Provisional Regulations of the PRC on the Selling and Transfer of the Right To Use State-Owned Land in Cities and Towns" and the "Provisional Regulations Governing Investment, Development, and Operation of Areas of Land by Foreign Businessmen." Some relevant documents were also issued at the same time. According to these regulations, the State Land Administration Bureau is the representative of the state-owned land in charge of the businesses concerning the selling and transfer of the right to use state-owned land. Since then, China's reform of the system of using state-owned land has been carried out in a normal and orderly way.

As various laws and regulations have been gradually perfected, reform of the system of using state-owned land, which was triggered by the experiments in Shenzhen, has been developing rapidly throughout the country. In this reform, various localities are paying great attention to the work of introducing foreign funds for opening up stretches of wasteland. Many areas, such as Hainan's Yangpu, Fujian's Quanzhou, Shanghai's Pudong, Zhejiang's Ningbo, and Dalian's development zone, have already made necessary preparations for it. According to incomplete statistics provided by more than 20 cities in our country, by the end of 1989, more than 250 transactions had been concluded on the selling of the right to use state-owned land, involving 1,030 hectares. The total transaction volume reached 900 million yuan. In 1990, greater economic results were achieved in the selling of land use right. In the first half of 1990, the funds obtained from the selling of the right to use state-owned land in Shenzhen were higher than the total for 1989. The figures for Fujian Province were even higher. In the five months immediately after the promulgation of the State Council's relevant regulations and laws, a total of 3,479 mu of land was sold, involving 204 million yuan.

Reform of the system of using state-owned land has a great impact on many relevant structures and regulations. It has forced the relevant departments to carry out corresponding reforms. The traditional method of "submitting the plan of the project to be developed before giving approval for the use of the land" under the old system of examining and approving capital construction

projects has been changed into the method of "giving approval for the use of the land before the plan is submitted." The relevant planning department is required to carry out scientific, effective, and detailed planning on the relevant plot of land before the right to use it is sold or transferred. The past concept and practice of "the use of land is approved according to the requirement of a building" has been changed into one of "the construction of a building is planned according to the land that has been approved." The land rent, which was invisible in the real estate business in the past, has gradually been shifted into the hands of the governments at various levels through the monopoly of the selling market and the management of the transfer market by the land administrative departments. The financial departments are also faced with a more risky choice of land mortgage.

Mr. Wang, chief of the State Land Administrative Bureau, told this reporter that the main task for reform of the system of using state-owned land in the next step is to solve various problems concerning the use and transfer of state-owned land by various units which emerged in the past decades. One purpose of the reform is to curb all kinds of illegal transactions by means of levying land use tax and fees and controlling all activities aimed at transferring and renting land use right so that land rent, which belongs to the state, can really become a part of the state's income.

Forecasters on Target With Grain Figures

OW0503133991 Beijing XINHUA in English
1331 GMT 5 Mar 91

[Text] Beijing, March 5 (XINHUA)—Forecast of the total output of grain in China by a research group each April is accurate to within 1.1 percent, on a par with the internationally advanced level.

The group is headed by Chen Xikang, a researcher at the Institute of Systems Sciences under the Chinese Academy of Sciences.

Chen's research group has been forecasting the grain output with advanced method of systems engineering and computers since 1980.

The maximum margin of error in the past 10 years was 2.5 percent.

Severe Drought Threatens 1991 Wheat Crop

HK0603113091 Hong Kong AFP in English 1107 GMT
6 Mar 91

[Text] Beijing, March 6 (AFP)—China's 1991 wheat harvest was in peril of being destroyed by a severe drought across the northeastern quarter of the country, the PEASANT'S DAILY said Wednesday.

Reservoirs have dried up, tens of thousands of people were being forced to travel for miles for drinking water

and wheat crops were dying because of the drought, which has hit 13 provinces, regions and cities, the newspaper said.

The drought, which follows a record grain harvest in 1990, may force China to increase its wheat imports, most of which come from the United States.

Drought was affecting about 18 million hectares (45 million acres) of winter wheat in the north, the official paper said. The area north of Shanghai produces most of China's wheat, a major staple food.

Rainfall in some provinces was only half what it normally was this time of year, the paper said, stunting growth of winter crops and disrupting spring plowing.

Weather forecasters predicted the drought would continue, it added.

The drought was not only affecting wheat crops. People and livestock did not have enough drinking water and in one city of Shanxi Province 70,000 residents were forced to travel for miles to fetch water, the PEASANT'S DAILY said.

In Gansu, Ningxia and Inner Mongolia, fresh water sources were drying up, it said, and in Heilongjiang Province the water level of 53 reservoirs was 11 per cent lower than last year.

The regions affected had mobilized to try to prevent further crop damage, irrigating about 6.6 million hectares (16.5 million acres) of winter fields, 5.75 million hectares (14.4 million acres) of which was planted with wheat.

China bought all of its allotted two million tonnes of subsidized wheat from the United States last year despite the record harvest.

Minister Urges Building Agricultural Foundation

HK0103094591 Beijing GUANGMING RIBAO
in Chinese 1 Feb 91 p 1

[Article by Minister of Agriculture Liu Zhongyi: "Make Unremitting Efforts To Build a Solid Foundation for Agriculture"]

[Text] For our country's agriculture, the year 1990 was a year of all-around bumper harvests and greater production growth.

However, from a long-term and overall perspective the situation facing our country's agriculture remains rather grim. Agricultural development remains caught in a situation where demand for farm products keeps growing, burdens are increasingly heavy, agriculture is pressured to keep growing and not allowed to pause, but, at the same time, is not assured of being supplied with the necessary conditions, and natural climate remains a portentous factor. Of course this is not to adopt a pessimistic attitude toward China's agricultural development. It is only to give an overall and basic evaluation of

the agricultural problem. Such an evaluation will help remind all those concerned to pay attention to the problem and will mobilize the strength of the people of the whole country to work unrelentingly for a solid foundation for agriculture.

We believe that on the problems of agriculture and the rural economy, we must lay particular stress on the stability of basic policies.

The output-related contracted household responsibility system has been the party's major basic policy in rural areas, featuring a "combination of centralization and decentralization and two-tier management." With the expansion of agricultural production, gradual technological uplift, and the development and changes in multiple social and economic factors, new situations and problems have appeared in the rural two-tier management system. For instance, assigning contracted farmlands to households scattered over a large area has brought inconvenience to production management. High population and labor mobility will greatly affect the stability of land contracting. As the use of farming technology extends, contracted peasant households increasingly feel that, in adopting new technologies and in certain production links, dividing the contracts into household units is inconvenient, uneconomical, or beyond their power. Concerning these problems, guided by reality and proceeding on a stable foundation, we must adopt continuously improved measures to resolve them.

The chief means of improvement are developing multi-form and multi-tier services and gradually forming a socialized service network on the basis of stabilizing and perfecting the land contract system, strengthening the management of contract agreements and collective property, so that those kinds of work in agricultural production which individual households find hard to handle alone will be done by the socialized service network.

"Agriculture finally will have to rely on science and technology to solve its problems." Invigorating agriculture with science, technology, and education has a tremendous strategic significance for agricultural development. This year we will work to further promote this great effort, continue to carry out well the "bumper harvest plan" for agriculture, animal husbandry, and fishery, vigorously steer agricultural scientific and technological work toward the grass roots, agricultural production frontline and laborers directly involved in agricultural production. For these purposes, we must handle well six combinations: Combining "invigorating agriculture with science, technology, and education" with integrated agricultural development, building of commodity bases and imports of foreign capital; building of a socialized farming service network with the extension of scientific and technological application; which in turn is combined with scientific and technological education and training for peasants; combining strengthening the organizational building of grass-roots services in agricultural departments with the support efforts for setting up

various peasants' professional and technological associations and research institutes; technological improvement and extension with the efforts to raise the rural operation and management levels; and the active promotion of the fruits of science and technology with strengthened agricultural research work. If we handle well these six combinations, then, after a few years of practice, the basic conditions of our country's agricultural production, levels of scientific and technological application, and the cultural and technological standards of the broad peasants will, within this century, experience an uplift and development into another stage.

For a long time we have had little understanding or conception of the interrelatedness of inputs and outputs in agricultural departments. Quite a number of comrades hold the view that agriculture more or less depends for success on heaven (climate), earth (soil), and human agents (peasants). The truth is that agriculture, like other material production, has a positive input-output relationship; only more inputs can produce more outputs.

Correct and rational economic regulatory and control policies also represent an input. For instance, the farm product pricing, purchase, and sales policy must obey the law of value and the law of average social profits; otherwise peasants would not be able to gain rational rewards for producing farm products like grains, and would not maintain enthusiasm and capacity for reproduction. Therefore, to maintain the enthusiasm for agricultural inputs, there must be a range of coordinated policies, forming an economic environment which can encourage peasants to invest capital and labor in agriculture.

Agriculture relies on science and technology, which in their turn rely on inputs, and moreover inputs of a coordinated type. In the past when we spoke of "invigorating agriculture with science and technology," we sounded as if this could be done with great success without injecting any costs. This was impractical. One important aspect of intellectual inputs is strengthening scientific research. A new discovery usually calls for several years of research. Scientific research needs equipment, test grounds, and laboratories, all of which require inputs. Scientific and technological extension also needs money and inputs.

As for the sources of agricultural inputs, the general condition is that the central authorities, localities, collectives, and peasants must play an active role. For the mere purpose of maintaining simple reproduction, peasants' inputs remain the mainstay. When the issue is expanding the reproduction process, peasants' inputs alone are not enough. Not only because agriculture has a very low accumulation rate, but also because the current agricultural construction has gone far beyond the traditional scope of agricultural construction and peasants' technological capabilities and range of capital inputs. Therefore, for large-scale projects, like the construction of agricultural infrastructure, we need inputs by the central authorities and localities, and state and local government leadership for organization and implementation.

Ministry Outlines Agricultural Production Targets

HK0403130391 Beijing JINGJI RIBAO in Chinese
14 Feb 91 p 1

["Dispatch" by reporter Zhang Zichen (1728 1311 5256): "The Ministry of Agriculture Makes Arrangements for This Year's Agricultural Production"]

[Text] On 18 February, while Chen Yaobang, vice minister of agriculture, was dwelling on the main tasks and targets of China's agricultural production for 1991, he said that this year, it is necessary to seriously implement the spirit of the "quality, variety, economic result year" drive launched throughout the country and to rely on scientific and technological progress to increase output in the course of improving the quality of products and enhancing economic results to ensure continuous, steady, and coordinated agricultural development. While the gross national product records an increase of 4.5 percent over 1990 and the industrial output value is up by 6 percent, it is planned that the rural gross social output value will increase by 8.5 percent; of this, the gross agricultural output value will increase by 3.5 percent and the output value of the township and town enterprises will increase by 12 percent.

The Ministry of Agriculture has put forward the arrangements for some main quotas:

The grain areas are 1.69 billion mu and gross output is 425 million metric tons. It is estimated that they will be equal to those in 1990.

The cotton areas are 85 million mu and gross output is 4.45 million metric tons. It is estimated that they will be 3.2 million mu and 200,000 metric tons respectively more than last year (similarly hereinafter) and that gross output will record an increase of 4.7 percent.

The oil-bearing crop areas are 167 million mu and gross output is 16 million metric tons. It is estimated that they will be 3 million mu and 500,000 metric tons up respectively and gross output will increase by 3.2 percent.

The sugar areas are 26.2 million mu and gross output is 68 million metric tons and they will be equal to those last year.

Gross output of meat is 27.4 million metric tons. It is estimated that gross output of meat will increase by 400,000 metric tons, an increase of 1.5 percent.

Gross output of eggs is 7.7 million metric tons. It is estimated that gross output of eggs will increase by 300,000 metric tons, an increase of 4 percent.

Gross output of milk is 5 million metric tons. It is estimated that it will increase by 300,000 metric tons, an increase of 6.4 percent.

Gross output of sheep wool is 247,000 metric tons. It is estimated that it will increase by 7,000 metric tons, an increase of 2.9 percent.

Gross output of aquatic products is 12.4 million metric tons. It is estimated that it will increase by 400,000 metric tons, an increase of 3.3 percent.

Gross output of natural rubber is 258,000 metric tons. It is estimated that it will increase by 14,000 metric tons, an increase of 5.7 percent.

Farm Reclamation Industry Increases Output

OW0603063391 Beijing Domestic Service
in Mandarin 0800 GMT 4 Mar 91

[Text] During the Seventh Five-Year Plan period, the government continued to implement among farm reclamation enterprises, the various forms of contracting management responsibility systems based on the family farm, greatly arousing the interest of these enterprises' in effectively using their resources, in increasing their output and revenues, and in improving their economic efficiency.

According to data provided by the Ministry of Finance, farm reclamation enterprises' output value, and other indicators for measuring their economic performance, rose notably in the past five years. In 1990, the total industrial and agricultural output value of farm reclamation enterprises across the country reached 27 billion yuan, an increase of 58 percent over 1985; their profits reached 1.6 billion yuan, an increase of 67 percent over 1985; and they delivered 2 billion yuan in taxes, profits, and fees to the state, which was over 100 percent more than 1985.

The financial contracting system was instituted among farm reclamation enterprises by the state at the beginning of the Sixth Five-Year Plan. Over the years, the central and local governments have made great efforts to make the system scientifically more reasonable, and have encouraged all localities, in the light of local conditions, to continue to refine the system. At the same time, departments in charge of farm reclamation enterprises have encouraged enterprises to engage in agricultural, industrial, and commercial activities.

During the Seventh Five-Year Plan period, farm reclamation enterprises made relatively large-scale internal structural readjustments, enabling the farm reclamation industry to diversify its activities. The percentage of the industry's industrial output value of its total industrial-agricultural output value increased from 45 in 1985 to 60 in 1989, while its total profits rose from 700 million yuan to 1.2 billion yuan during the same period.

Development of the industry's industrial and commercial activities has provided an impetus to the development of its agricultural undertakings. In addition, during the Seventh Five-Year Plan period, profits retained by the industry, the value of its fixed assets, and the personal annual income of its staff members and workers increased considerably over the Sixth Five-Year Plan period.

East Region

Lu Rongjing Visits Hefei Telecommunications Bureau

OW0503045391 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 1 Mar 90

[Text] Lu Rongjing, secretary of the Anhui provincial party committee, visited the Hefei Telecommunications Bureau on 24 February to extend his cordial regards to cadres, staff members, and workers of the bureau who were performing their official duties. He also met with some representatives of those who were attending the provincial meeting on postal and telecommunications work.

Comrade Lu Rongjing said: In the wake of the development of the commodity economy, the important role of posts and telecommunications has become more and more apparent. Therefore, all departments concerned should pay close attention to postal and telecommunications work. If communications are backward, the investment environment will certainly be adversely affected. This will in turn seriously limit development of the commodity economy.

Comrade Lu Rongjing said: During the Seventh Five-Year Plan period, communications work developed relatively fast and great achievements were made in Hefei City and the entire province. However, compared with the pace of other provinces and municipalities, we are still lagging behind in communications work. In the Eighth Five-Year Plan period, we must further speed up the development of communications work and should strive to build some advanced communications projects.

Accompanied by Zhou Dexiang, director of the provincial posts and telecommunications administration, and others, Lu Rongjing visited the programmed and automatic telephone switchboard room, the long-distance station, and the microwave transmission station. He encouraged technicians and maintenance workers to study hard, constantly improve their professional skills, take good care of advanced communications facilities, and give full play to the role of those facilities.

Addresses Anhui Propaganda Meeting

OW0503133491 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 4 Mar 91

[Text] The five-day provincial meeting on propaganda work ended in Hefei City on 2 March. The meeting transmitted the guidelines of the national meeting of propaganda department heads and the national meeting on propaganda work in the field of external relations. The meeting also reviewed and summed up the situation and experience of propaganda work in the province last year. Guided by the spirit of the Seventh Plenary Session of the 13th CPC Central Committee and the Third Plenary Meeting of the Fifth Anhui Provincial CPC Committee, the meeting studied and made arrangements for this province's propaganda work in domestic and external fields.

Comrade Niu Xiaomei delivered a work report at the meeting. Comrade Hou Yong delivered a report on propaganda work in the field of external relations.

Comrades Lu Rongjing and Yang Yongliang attended and presented important speeches at the meeting.

In his speech, Comrade Lu Rongjing first analyzed the present propaganda work. He said: The present situation on the propaganda and ideological front in this province is quite good. It can be prominently reflected in four aspects.

First, the broad masses of cadres on the propaganda and ideological front in the province have done a lot of work in vigorously publicizing principles, policies, and tactics formulated by the party Central Committee and the provincial party committee, especially in publicizing the party's policy of reform and opening to the outside world, the achievements of economic construction, the four cardinal principles, the criticism of bourgeois liberalization, and advanced people and their experiences. They have made important contributions to consolidating and developing the good political and economic situation in the whole province.

Second, ideological and political work, theoretical study, and propaganda and education, in theory, have been strengthened. The production of spiritual products such as literature and art publications has been developing in a healthy manner. The ideological and political fields have taken a new turn for the better. The trend of public opinion in the society is developing in a good direction.

Third, propaganda work in the field of external relations has made significant progress. In particular, through publicizing the development and opening of Wan Jiang, Anhui is now better known to the outside world both at home and abroad.

Fourth, the rectification and building of ideological and cultural fronts and ranks of propaganda workers have achieved significant results. Those achievements have been made through hard efforts and are the result of resolute implementation of the principles and policies formulated by the party Central Committee with Comrade Jiang Zemin as the nucleus, hard work, and struggle in unity by the large number of comrades on the propaganda and ideological front under the leadership of party committees at various levels.

Comrade Lu Rongjing emphatically pointed out in his speech: When we study and publicize the documents of the Seventh Plenary Session of the 13th CPC Central Committee and the Third Plenary Session of the Fifth Anhui Provincial CPC Committee, we must grasp the basic point of building socialism with Chinese characteristics, wholeheartedly dedicate ourselves to promoting economic construction, and concentrate our efforts to develop the productive force. Comrades on the propaganda and ideological front shoulder the responsibility of guiding the general public to study and understand those documents. Therefore, they must take the lead in study and truly understand the theory of taking the road

of building socialism with Chinese characteristics and the necessity of concentrating our efforts to develop the productive force. This is a great task and we must carry out this task well. It is hoped that comrades on the propaganda and ideological front will bravely shoulder this responsibility and present satisfactory results to the party and people.

Comrade Yang Yongliang, in his speech, emphatically talked about a number of principal tasks on the propaganda and ideological front in the province. He said: First, it is necessary to carefully organize the study and propaganda of the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee and the Third Plenary Meeting of the Fifth Anhui Provincial CPC Committee and create favorable ideological and political conditions, and favorable public opinion for further promoting economic and social development in this province in a stable manner. Second, it is necessary to center our tasks on economic construction, and strengthen and improve propaganda work on economic work, reform, and open policy. Third, it is necessary to continue to implement the policy of laying stress on giving publicity to positive reports. We should energetically publicize advanced people and deeds and promote healthy tendencies. Fourth, it is necessary to further improve propaganda work in the field of external relations and enable people of the outside world to understand this province, strengthen our exchange and cooperation with the outside world in economic, science and technology, and cultural fields, and create a favorable outside environment for the smooth building of socialist modernization and successful implementation of reform and open policy in this province. Fifth, it is necessary to effectively strengthen the building of the ranks of propaganda workers. We should strive to raise the quality of cadres in charge of propaganda work, further improve our work style, and do things in a solid manner. Sixth, party committees at various levels should attach importance to and strengthen their leadership over propaganda work. It is necessary to place propaganda work in the important daily agenda of party committees. A special meeting should be held each year to study and make arrangements for work in the ideological field. We should promptly solve all existing problems.

Attending the meeting were responsible comrades of various prefectural and city party committees in charge of propaganda work; heads of propaganda departments of various prefectural, city, and county party committees, of party committees of various schools of higher learning, and of party committees of various large enterprises; comrades of provincial departments and bureaus in charge of propaganda and educational work; responsible comrades of provincial level units related to external affairs; and reporters of various news units.

Anhui People's Congress Preparatory Meeting Held

*OW0503094691 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 4 Mar 91*

[Text] The fourth session of the Seventh Anhui Provincial People's Congress held a preparatory meeting this

afternoon at Anhui Theater in Hefei City. Wang Guangyu, chairman of the Standing Committee of the Anhui Provincial People's Congress, presided over the meeting. Attending the meeting and sitting on the rostrum were vice chairmen of the Standing Committee of the provincial People's Congress, including Zheng Rui, Ying Yiquan, Kang Zhijie, Chen Tianyuan, Yang Jike, Chen Tianren, and Du Hongben.

Wang Guangyu announced that preparations for the convocation of the fourth session of the Seventh Anhui Provincial People's Congress were complete and that the session would open on the morning of 5 March. He said: The Seventh Anhui Provincial People's Congress has a total of 728 deputies, 681 of which have reported attendance at the current session and 47 of which have requested leave of absence due to illness or other reasons. He said that 612 deputies attended today's preparatory meeting; this number met requirements set by law.

With a show of hands, the meeting elected members of the presidium and a secretary general for the fourth session of the Seventh Anhui Provincial People's Congress. The presidium of the congress has 53 members.

The meeting adopted the agenda for the fourth session of the Seventh Anhui Provincial People's Congress, the national economic and social development plan, and a namelist of members of the financial and budget examination committee.

Wang Guangyu pointed out: The fourth session of the Seventh Anhui Provincial People's Congress is being held at a time when people of all nationalities in the province are seriously implementing the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee and the Third Plenary Session of the Fifth Anhui Provincial CPC Committee. Guided by the spirit of the Seventh Plenary Session of the 13th CPC Central Committee, the session should adhere to the party's basic line, persist in and improve the system of people's congresses, mobilize and encourage people of all nationalities in the province to unite as one, struggle hard, and seriously implement arrangements made by the Fifth Plenary Session of the Fifth Anhui Provincial CPC Committee, work in a solid manner, maintain and consolidate social stability, continue to promote the policies of improving the economic environment and rectifying economic order and deepening reform, promote the development of the national economy in a sustained, stable, and coordinated manner, strive to realize various goals and tasks for this year, and further promote socialist modernization in this province.

Wang Guangyu emphatically pointed out: This year is the first year of the implementation of the 10-year program and the Eighth Five-Year Plan. We are faced with very arduous and heavy tasks. Under such circumstances, it is particularly important to achieve success in this session. All deputies must concentrate their effort,

work together actively, turn this session into a democratic and united meeting in the spirit of seeking truth from facts, and make new contributions to revitalizing Anhui Province.

Presidium Holds 1st Meeting

*OW0503110191 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 4 Mar 91*

[Text] The presidium of the Fourth Session of the Seventh Anhui Provincial People's Congress held its first meeting this afternoon in the conference room of the Huaqiao Hotel. Chairman Wang Guangyu presided over the meeting.

The meeting elected Wang Guangyu, Zheng Rui, Ying Yiquan (female), Kang Zhijie, Du Weiyou, Chen Tingyuan, Yang Jike, Chen Tianren, and Du Hongben as permanent chairmen of the presidium. The meeting adopted a namelist of presiding chairmen for various meetings of the Fourth Session of the Seventh Anhui Provincial People's Congress; selected Du Hongben, Liu Kang, (Lu Desheng), (Chen Qiyu), (Wu Wenhua), and (Du Yongji) as deputy secretary generals of the fourth session of the Seventh Anhui Provincial People's Congress; adopted the agenda for the session; and decided on a namelist of those who would attend the session as observers.

The meeting adopted methods for handling deputies' proposals, criticism, and opinions. The meeting decided that the deadline for accepting proposals would be 5 p.m. on 8 March. The meeting examined the draft method of elections at the fourth session of the Seventh Anhui Provincial People's Congress and decided to submit the draft method to the full session for discussion.

Anhui Advances in Consolidating Party Branches

*OW0603025891 Hefei ANHUI RIBAO in Chinese
23 Feb 91 p 1*

[Text] In 1990, Anhui began the work of consolidating less advanced party branches in rural areas. According to incomplete statistics, the province transferred 9,377 cadres from various departments to form 2,226 work teams and groups to work in 2,795 administrative villages, and the work has been quite fruitful. Among the 2,247 village party branches which have been consolidated, 500 have become advanced and visible changes have taken place in 1,378 of them.

Secretaries of party committees at all levels, especially party committees at the county (city), district, and township levels, have regarded the work in consolidating less advanced village party branches as a central task in enhancing party discipline and strengthening agricultural and rural work, and have made it part of their regular work.

In consolidating the less advanced party branches, all localities have based their work on conducting ideological education; taken local conditions into consideration;

used township and town party schools to conduct in-depth education among local party members on the party's basic line, basic Marxist theories, and the party's background; concentrated on solving prominent problems of the less advanced villages; encouraged the less advanced to make improvements; promoted administrative honesty; and bolstered the less advanced villages' confidence and determination to fight poverty.

All localities have focused their consolidating work on cultivating and selecting outstanding party branch secretaries and reasonably-structured leading collectives of party branch committees. Those loosely organized, incompetent, lazy, and ineffective leading bodies; and those cadres who abused their powers to gain personal benefits, who set up small factions, who disrupted unity, who committed serious offenses to the law and discipline, and who refused to correct their mistakes and were strongly criticized by people inside and outside the party, were reorganized or removed according to party discipline. In the entire process of consolidation, the work had been focused on economic development, and the objectives of consolidation had been aimed at promoting economic development and the material and spiritual civilizations.

Currently, all localities, making use of the experience they gained, are making systematic efforts to conduct a second-year consolidation among the less advanced party branches not consolidated last year and those found recently.

Fujian's Chen Guangyi Inspects Tax Bureau

*HK0503091791 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 2 Mar 91*

[Text] Yesterday, Chen Guangyi, secretary of the provincial party committee, and other provincial leading comrades, accompanied by (Yu Changdi), head of the provincial tax bureau, inspected the branch tax bureau under the Sanming City Tax Bureau and three tax offices under the branch tax bureau.

Chen Guangyi inquired of tax people at the grass-roots level about their work, daily life, and equipment. He even made a sample check of the files on the collection and management of taxes and found out how the collection and management system for taxation had been improved. He encouraged the tax people to do a good job in collecting taxes, improve the collection and management of taxes, help major and medium-sized enterprises solve their difficulties, promote production, and invigorate circulation to make fresh contributions to Fujian's economic development.

Comrade Chen Guangyi also expressed satisfaction at the tax bureau's efforts to strengthen party building at the basic level and at the drive unfolded by the branch tax bureau under the Sanming City Tax Bureau for combining maintaining integrity with providing quality service. He also praised the bureau for its success in increasing transparency in two respects and placing itself under the supervision of the masses.

Jiangsu Congress Committee Chairmanship Meeting

OW0503115291 Nanjing XINHUA RIBAO in Chinese
24 Feb 91 p 1

[Text] The provincial People's Congress Standing Committee held its fifth chairmanship meeting of the year on the morning of 22 February. The meeting heard a report on grain production made by the provincial government. Chairman Han Peixin presided over and addressed the meeting.

The meeting held: Jiangsu's grain production increased steadily during the Seventh Five-Year Plan period. The total grain output increased at an average annual rate of 10 percent, the per-unit-area yield grew at an average annual rate of 8.5 percent, and the per-capita amount of grain rose at an average annual rate of 4.4 percent, as compared with the Sixth Five-Year Plan period. In 1990, the province was distressed by natural calamities, such as floods in the north and drought in the south, and it was also hit by strong typhoons. Even then, the province's grain output remained basically the same as 1989. Success did not come easily. It was the result of efforts made by the party committees and governments at all levels and by the broad masses of cadres and people in the province. At the same time, we should also note that the situation of Jiangsu's grain production is still grim. With population growth and reduced crop area, it is becoming more and more arduous to maintain the per-capita amount of grain at 1,000 jin. The industries for agricultural use are in slow development, and the state has reduced its investment in agricultural capital construction, providing an insufficient basis for the further increase of grain output. The peasants' enthusiasm for growing grain is being dampened by the declining profit of grain growing, poor commodity circulation, and difficulties in selling and storing grain and in shipping it out of the province.

The meeting emphasized: The governments at all levels should firmly set the guiding principle of "taking agriculture as the foundation," consider Jiangsu's reality, strive persistently to increase the output of grain, cotton, and other crops as well as income, further improve the responsibility system with the household contract linking output to payment, and strengthen the service system for agricultural production. In the development of grain production, we should pay attention to two respects. On the one hand, we should strive to increase per-unit-area yield, apply science in agricultural development, and reform the farming system according to local conditions. On the other hand, we should pay attention to reclaiming the beach and hilly land, and increase crop area. At the same time, we should do a good job with population control, and manage land strictly. Local People's Congress standing committees should improve legislative and supervisory work for grain production. In this year, we should pay attention to inspecting and supervising the implementation of "Land Management Law," "Family Planning Regulations of

Jiangsu Province," other laws and regulations, and crucial measures which have an important bearing on the development of grain production. We should create a legal environment which is conducive to the steady development of Jiangsu's grain production.

Present at the meeting were Li Zhizhong, Xing Bai, Zhang Yaohua, and Tang Nianci, vice chairmen of the provincial People's Congress Standing Committee; and Bai Yun, secretary general of the provincial People's Congress Standing Committee. Vice Governor Ling Qihong and responsible comrades of the departments concerned attended the meeting as non-voting delegates.

19th Session Approves Agenda

OW0603042891 Nanjing Jiangsu Provincial Service
in Mandarin 1015 GMT 3 Mar 91

[Text] The 19th Standing Committee Session of the Seventh Jiangsu Provincial People's Congress ended today after holding a full meeting this morning. Li Zhizhong, vice chairman of the Standing Committee of the provincial people's congress, presided over the meeting.

The meeting approved the agenda for the Fourth Session of the Seventh Jiangsu Provincial People's Congress; approved the draft namelist for the presidium and the secretary general of the fourth session; decided upon the namelist of observers to the session; approved the report on the examination of the credentials of candidates for the by-election of deputies to the provincial people's congress; and approved, in principle, the work report of the Standing Committee of the provincial people's congress.

The meeting approved the "Jiangsu Provincial Temporary Provisions Governing the Election of Presidiums of Town and Township People's Congresses"; the "Jiangsu Provincial Regulations on Administration of Coastal Regions"; and the "Nanjing City Temporary Provisions on Punishment of Prostitution and Whoring."

The meeting decided to appoint Dai Shunzhi as vice governor of Jiangsu Provincial People's Government; and to appoint (Yan Kechang) and remove (Hu Rongmei) as director of the Jiangsu Provincial Environmental Protection Bureau. The meeting approved the resignation of Qin Jie as chief procurator and decided to appoint (Zhao Hou) as acting chief procurator of Jiangsu Provincial People's Procuratorate. The meeting approved the resignation of Zhu Jundao as member of the Standing Committee of Jiangsu Provincial People's Congress, and the resignation of Li Bohan and subsequent appointment of Qin Jie as chairman of the Legislative Affairs Commission of the Standing Committee of the Jiangsu Provincial People's Congress. The meeting approved the resignation of Wang Donghui as chief procurator of Huaiying City People's Procuratorate.

Chairman Han Pexin, Vice Chairmen Xing Bai and Zhang Yaohua, and Secretary General Bai Yun of the provincial people's congress Standing Committee were present at the meeting. Vice Governor Wu Xijun of the

provincial people's government and President Li Peiyou of the provincial Higher People's Court attended the meeting as observers.

Nanjing Cites Achievements in 7th Five-Year Plan

OW0503223191 Nanjing XINHUA RIBAO in Chinese
26 Feb 91 p 1

[Text] Yesterday, leaders of the Nanjing City Party Committee and the city government invited comrades of 25 press units stationed in Nanjing and other cities of Jiangsu to the first news briefing of the year.

Dai Shunzhi, secretary of the city party committee, and Wang Rongbing, mayor of Nanjing, extended sincere thanks to the press units for actively publicizing Nanjing's achievements in reform and opening to the outside world and its people's socialist spiritual outlook during the past year. The leaders made public the achievements of city's Seventh Five-Year Plan as well as its envisaged Eighth Five-Year Plan and ten-year program.

During the Seventh Five-Year Plan period, Nanjing's total industrial and agricultural output value increased 11 percent each year; the city completed 15 key construction projects, including the Yangzi Ethylene Plant, the Huafei Color Television Picture Tube Plant with a capacity of producing 1.6 million tubes a year, and the second-phase project of the Xinshengxu port; the city's total export value increased 178 percent over that of 1985; it utilized more than \$600 million of foreign funds; the city's 189 towns and townships and more than 80 percent of its administrative villages were connected to highways; in addition, a number of bus stations and wharves were built. About 2.2 billion yuan were invested in the construction of urban living quarters. As a result, per-capita living space increased from 6.1 square meters to 7.1 square meters, and the use of gas as fuel by the civilian sector rose from 50 to 60 percent.

During the Eighth Five-Year Plan period, Nanjing plans to invest 20 billion yuan in fixed assets. The city will make vigorous efforts to adjust the industrial setup and the production mix while making the electronics, automobile, and petrochemical industries its backbone industry; in developing an export-oriented economy, the city will concentrate on developing labor intensive and technological intensive projects. At the same time, in the coming decade per-capital housing space will be expanded to 9 square meters; the use of gas as fuel in daily life will reach 85 percent during the Eighth Five-Year Plan period, and 95 percent by the end of this century; and the use of telephones by civilian housing quarters will reach 18 percent.

Jiang Chunyun Attends Airline Inauguration

SK0603104191 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 5 Mar 91

[Text] With the approval of the Civil Aviation Administration of China, the China Eastern Airline formally

established its branch company of Shandong Province in the city of Jinan on 5 March. The provincial branch company has MD-82 jumbo passenger planes, Shorts-360 short-distance passenger planes, and Yun-5 planes specialized for farming and forestry production—totaling 15 planes. The provincial branch company can render passenger and cargo services by taking the province as a center and general airline services for the areas of eastern and northern China. With the terminal stations in Qingdao and Jinan cities, the provincial branch company may implement direct flights to 20 large and medium-sized cities, including Beijing and Shanghai municipalities, Guangzhou City in Guangdong Province, Fuzhou and Xiamen cities in Fujian Province, Hangzhou City in Zhejiang Province, and Xian City in Shaanxi Province. It can also operate its flights to Hong Kong independently and can have 108 flights each week. Meanwhile, the provincial branch company may take up the special operation of sowing tree and grass seeds, applying fertilizer to crops and trees, spraying weed killer, and of carrying out aerial photography.

Attending the inauguration of the airline branch company on 5 March were leading comrades from the provincial level organs and the Jinan Military Region, including Jiang Chunyun, secretary of the provincial party committee; Liang Buting, secretary of the provincial Advisory Commission; Qu Jining, deputy political commissar of the Jinan Military Region; and Lin Jigui, commander of the Air Force units under the Jinan Military Region.

During the inauguration, Zhang Ruifeng, vice governor of the province, and (Yin Wenlong), director of the East China Civil Aviation Bureau, unveiled the name board of the Shandong provincial branch company of the China Eastern Airline. Personnel, including Vice Governor Li Chunting, addressed the inauguration.

Jinan Begins Huanghe Diversion Project 2nd Phase

SK0603091891 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 5 Mar 91

[Text] On 5 March, Jinan City has formally begun to build its second-phase project of diverting the Huanghe water to ensure the water supply of the city. The project includes the construction of a riverside reservoir of regulating the flow at Xishiwa (?village), whose volume is 27 million cubic meters, and the expansion of the Huanghe waterworks No. 2. Total investments in the project are 320 million yuan and the project will be completely built at the end of 1992 and will enable the city's daily water supply to reach 400,000 tons.

Commentator on Economic Development Strategy

OW0603030091 Hangzhou ZHEJIANG RIBAO
in Chinese 21 Feb 91 p 1

[Article by ZHEJIANG RIBAO commentator: "The Change in Zhejiang's Economic Development Strategy:

On "Laying a Foundation, Improving Standards, and Raising Economic Efficiency"]

[Text] "Laying a foundation, improving standards, and raising economic efficiency" is the emphasis of economic work for the next 10 years, proposed by the Zhejiang provincial party committee in its "Proposals for the Drawing-Up of the 10-year Program and the Eighth Five-Year Plan for Economic and Social Development of Zhejiang Province." While meeting the needs of improving the overall economic quality, this emphasis shows a change in Zhejiang's economic development strategy.

"Laying a foundation" means that we should strengthen agriculture, basic industries and infrastructure, strengthen such basic work as science and technology education and economic management, and gradually improve Zhejiang's situation of having a fragile economic foundation and insufficient basis for further development. "Improving standards" means that we should work on the basis of what we have now, rely on technological progress, strive to carry out successful reorganization and reform of traditional industries and existing enterprises, make progress in improving quality and increasing variety, greatly improve the quality of industries and enterprises, enhance the workers' scientific and technological knowledge and general knowledge, raise their ideological and moral standards, and greatly elevate the level of our economic and social development. "Raising economic efficiency" means that we should take the road of high output with low input and low consumption, always focus all economic work on raising economic efficiency, and pay attention to social and ecological benefits. "Laying a foundation, improving standards, and raising economic efficiency," each has its own contents, but the three are interrelated, supplementing one another. Improvement of standards is a major objective, laying a foundation will provide a guarantee for success, and enhancement of economic efficiency is the inevitable result. The purpose of "laying a foundation" is supporting the improvement of standards, and improved standards will help strengthen the foundation. To lay a foundation and improve standards also means readjustment of industrial structure and product mix, and it will eventually result in enhancement of economic efficiency and increase of the basis for further development.

The guiding principle of "laying a foundation, improving standards, and raising economic efficiency" is proposed to implement the principle of improving the overall quality of the national economy and always focusing all economic work on raising economic efficiency, put forward by the Seventh Plenum of the 13th CPC Central Committee. This is the objective of Zhejiang's economic work for the 1990's. Zhejiang is an important coastal province. The "Proposals" of the Seventh Plenum of the 13th CPC Central Committee pointed out: "Coastal regions, characterized by a comparatively higher economic and technological level and shortage of natural resources, should devote themselves to the development of high-tech, precision, advanced

and new industries, and export products," and they should engage less in the general processing industry. We should thoroughly understand and resolutely implement the Central Committee's principles and make a new change in both guiding principles and actual work of economic development.

The guiding thought is shaped also on the basis of Zhejiang's situation and years of experience it gained from the province's economic development. Zhejiang is a small province with a large population and little mineral and other resources. While its agricultural production is diversified and farming is intensive, the foundation is not strong and the per capita land share is small. It has to depend on outside support for its raw materials and fuels for its mainstay industry—the processing industry. Only a small percentage of its enterprises are state enterprises, or large and medium-size enterprises; and its power plants, communication services, and other infrastructural services have long been overburdened. This basic profile dictates that, instead of continuing with extensive expanding operations, Zhejiang must streamline management, promote intensive operation, and expand reproduction internally [nei han kuo da zai sheng chan 0355 3211 2368 1129 0375 3932 3934] on the basis of scientific and technological development. Furthermore, it can no longer afford to reduce agricultural, basic industrial, and infrastructural construction; but must do everything possible to restructure the irrational production patterns. We must readjust the guiding thought and development strategy and reset our economic course: instead of stressing growth and output value, we should now pay attention to product quality and economic efficiency; instead of setting up more ordinary projects, we should now pay attention to reorganizing and improving the existing business, readjusting the inventories, and improving the economic structure; instead of investing in broadening production, we should now pay greater attention to tapping potential and internal development; and instead of increasing output without regard to quality, we should pay more attention to depending on science and technology to improve management and quality. Only by doing this can we consolidate and develop the successes we achieved during the 1980's and achieve the objectives set for the 1990's.

Comrades of all party committees, governments, departments, and enterprises must have a clear understanding of this guiding thought and reset their economic course. We must take the interest of the whole into account, concentrate our efforts on priority projects, and further upgrade our management and efficiency so as to improve the economic performance of Zhejiang as a whole.

Central-South Region

Abuse of Power by Shenzhen Officials Investigated

HK0603012191 Hong Kong SOUTH CHINA
MORNING POST in English 6 Mar 91 p 10

[Text] More than 11,000 officials in Shenzhen have been found abusing their power through building private houses or procuring larger flats.

Officials in charge of disciplinary inspection said yesterday a special task force of about 3,000 had launched an investigation into official malpractices in housing in the past year.

Investigations found a total of 531 officials have built private houses.

They have been fined a total of \$1.8 million.

Officials said the Government has taken over 13 houses and confiscated two houses and about 2,000 square metres of land.

They said investigations, which were still going on, also found more than 1,200 people have abused their power by building luxurious houses.

They have to return about \$7.2 million to the Government.

Hou Zongbin Discusses Building Development Zone

HK0603030991 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 3 Mar 91

[Text] Provincial party committee Secretary Hou Zongbin pointed out: In opening up to the outside world, it is necessary to handle relations between the large and small environments properly.

On the morning of 2 March, Comrade Hou Zongbin participated in a panel discussion held by the Zhengzhou delegation. When delegates discussed difficulties confronting the Zhengzhou Economic and Technological Development Zone, Hou Zongbin said: In a long-term perspective, building an economic and technological development zone holds out bright prospects. The momentum of opening up to the outside world is now shifting from the coastal areas to the hinterland and to our province first. Therefore, the large environment regarding our province's opening up to the outside world is fine. However, the large environment alone cannot get things done. We also must have a fine small environment. Without a major improvement in our investment environment, it will be impossible to successfully build a development zone. In order to improve our investment environment, we must have a good policy. Without the prospect of making money, foreign businessmen will not come to invest in our development zone. Of course, we should offer our cooperation and try to enable both sides to enjoy benefits.

He also pointed out: It is extremely necessary to build an expressway between Kaifeng and Luoyang. The existing highways have proved inadequate for traffic. Zhengzhou Airport is unable to handle large aircraft; only small planes can take off and land there, so foreign businessmen are unwilling to come. In view of this situation, we must start building Zhengzhou Airport as soon as possible. As long as we successfully build our small environment, we certainly will be able to build our development zone more successfully.

Southwest Region

Guizhou Congress Standing Committee Meets

HK0603103791 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 3 Mar 91

[Text] The seventh provincial people's congress Standing Committee opened its 18th meeting in Guiyang yesterday morning [3 March]. It was presided over by Chairman Zhang Yuhuan. Vice Chairmen Luo Dengyi, Zhou Yansong, Wang Zhenjiang, Liang Wanggui, and Luo Shangcai attended. The items on the agenda of the meeting included: Examining and discussing the work report of the Guizhou Provincial People's Congress Standing Committee; working out draft namelists of Presidium members and the secretary general for the fourth meeting of the seventh provincial people's congress; and examining the report on the qualifications of the people's deputies to the seventh provincial people's congress who were chosen at by-elections.

(Wang Minfu), deputy secretary general of the provincial people's congress, gave an explanation of the draft agenda of the meeting. After that, (Liu Huaide), head of the committee under the provincial people's congress Standing Committee responsible for examining the qualifications of provincial people's deputies, delivered a report on examining the qualifications of the provincial people's deputies chosen at by-elections.

Provincial Vice Governor Zhang Yulin; Xie Jinghan, president of the provincial Higher People's Court; and (Gao Qizhen), deputy chief procurator of the provincial People's Procuratorate, attended the meeting as non-voting delegates.

Guizhou Holds Learn-From-Lei Feng Rally

HK0603063791 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 3 Mar 91

[Excerpts] A provincial mobilization meeting aimed at promoting activities to learn from Lei Feng and at commending those advanced in such activities was held in the provincial party committee auditorium yesterday morning [3 March]. Provincial party, government, and military leaders Long Zhiyi, Su Gang, (Xu Yujiang), Zhu Qi, Yu Zhonggui, and others attended the rally.

Last year Communist Youth League [CYL] organizations at all levels throughout the province actively guided CYL members and youths to carry out activities to learn from Lei Feng and promote a new style. While going out on the streets to serve society, CYL members and youths are encouraged to lay their emphasis on doing their own work properly to make more contributions. The activities to learn from Lei Feng are combined with those to learn from the advanced. [passage omitted]

(Wang Huaiyi), secretary of the provincial CYL committee, called on CYL organizations at all levels to deepen their understanding and properly grasp the work of propagating Lei Feng's spirit, so that learn-from-Lei

Feng activities will be carried out on a systematic, regular, and healthy basis. In his speech, Long Zhiyi, provincial party deputy secretary, said: To carry forward Lei Feng's spirit, we must give prominence to the content of loving the party and people. We must devote our main efforts to solving the problem of our youths' outlook on life. In other words, we must correctly guide and help our youth regarding views. He called on CYL members and youths to focus attention on their own work, love their own jobs, and endeavor to gain professional proficiency, as Lei Feng did, so as to make contributions to the fulfillment of the Eighth Five-Year Plan and the 10-Year Program.

Learn-From-Lei Feng Drive Launched

HK0603044591 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 3 Mar 91

[Text] Yesterday [3 March] nearly 200,000 members of the Chinese Communist Youth League [CYL], youths, and secondary and primary school students in Guiyang went out to the streets to participate in the mammoth activities of benefiting the people, providing convenience for them, and serving them, to raise the curtain on the activities by CYL members and youths of learning from Lei Feng and the drive by Young Pioneers of learning from Lai Ning to become good children of the party. [passage omitted]

Major General (Zhong Limin), deputy provincial military commander; senior Colonel (Cheng Kaili), director of the Political Department of the provincial military district; senior Colonel (Dong Jialu), director of the Logistics Department of the provincial military district; and others led nearly 800 officers and men to participate in the activities of benefiting the people and providing them with convenience in Guiyang Railway Station and People's Square. [passage omitted]

Long Zhiyi, provincial party deputy secretary; Major General Zhu Qi, commander of the provincial military district; Major General Yu Zhonggui, political commissar of the provincial military district; and others went to various stalls to visit the teenagers participating in the voluntary activities. [passage omitted]

Many people in Guiyang said: Such activities of learning from Lei Feng do provide convenience for the masses. We hope they will be continued and become a general practice in society.

Yang Rudai Addresses Propaganda Work Meeting

HK0603033191 Chengdu Sichuan Provincial Service
in Mandarin 1015 GMT 28 Feb 91

[Excerpts] A provincial meeting on propaganda and ideological work opened in Chengdu today. Fifty-one advanced units that had done well in promoting socialist spiritual civilization were commended. In his speech, provincial party Secretary Yang Rudai pointed out: The guiding ideology for this year's work should continue to be emancipating our minds, seeking truth from facts, uniting as one,

and speeding up our work. We should implement the party's basic line and its basic principle of building socialism with Chinese characteristics in a firm and comprehensive manner. We should develop the ideas of taking economic construction as our center and regarding agriculture as our foundation. We should enhance our sense of reform and opening up, and persist in grasping things with two hands to maintain our social and political stability. We should concentrate our energy on promoting various economic works. [passage omitted]

In his important speech, provincial party Secretary Yang Rudai first affirmed the achievements made by our province in propaganda and ideological work and the work on Taiwan affairs over the past year or so. He pointed out: The guiding ideology for ideological and political work in our province is correct and the effects are obvious. On our propaganda and ideological front, we have accumulated useful experience in persisting in positive education and promoting spiritual civilization. This has created a beneficial environment in terms of public opinion for stabilizing rural areas, enterprises, market commodity prices, and universities and colleges [words indistinct], and promoting economic improvement and rectification, deepening reform, and laying a good ideological foundation. We should seize the present favorable opportunity to make progress, work as one, inspire enthusiasm, improve our work style, and adopt a down-to-earth manner.

Yang Rudai talked about the following six opinions on properly propagating and implementing the spirit of the Seventh Plenary Session of the 13th CPC Central Committee and promoting the building of the two civilizations:

1. We should truly take more initiative in studying and propagating the spirit of the seventh plenary session.

Yang Rudai stressed: Propaganda departments should regard the work of meticulously organizing study of propaganda from the seventh plenary session as an important task that should be firmly and effectively grasped. The thinking of our cadres and masses must be unified on the basis of the seventh plenary session and their efforts should be directed toward the great practice of fulfilling the strategic objectives for the second stage.

Yang Rudai continued: Studying and propagating the spirit of the seventh plenary session must be carried out in conjunction with construction and in an environment of reform and opening up in our province. We should give prominence in propaganda to taking economic construction as our center to properly promote overall development. In the meantime, in the course of upholding the four cardinal principles, we should further emancipate our minds and strengthen reform and opening up.

2. We should truly strengthen propaganda work in the ideological field.

3. We should profoundly carry out propaganda on construction of both urban and rural areas.

4. We should truly strengthen propaganda in the outside world to promote our province's opening up and economic development.

In this regard, Yang Rudai stressed: We must be clear about a guiding ideology of focusing our center of propaganda on economic construction, so that the outside world understands us. We should construct a brigade aimed at speeding Sichuan's economic cooperation and cultural exchanges with the world. [passage omitted]

5. We should vigorously expand contacts between the two sides of the Strait to promote peaceful reunification of the motherland.

6. We should enthusiastically improve our work style and adopt a down-to-earth manner in our work. [passage omitted]

State Helps Tibet Develop Education

OW0603062991 Beijing XINHUA Domestic Service
in Chinese 0853 GMT 4 Mar 91

[By reporters Zhu Dongju (2612 0392 5468) and Wang Jinfu (3076 6855 4395)]

[Text] Beijing, 4 March (XINHUA)—Since the peaceful liberation of Tibet 40 years ago, the state has adopted various measures to support and develop education in Tibet, such as the allocation of special funds and sending teachers to special training at schools in the interior. This has brought about fundamental changes in Tibet's education and built an initial educational system that has national characteristics and is comprised of pre-school, primary, secondary, adult, vocational, technical, and tertiary education.

According to sources, the Tibet Autonomous Region presently has 2,485 schools of various levels and types, and an enrollment of 175,000 students. The proportion of school-age children attending schools rose from 2 percent in 1958 to the present 54.5 percent. The rate of illiteracy and semi-illiteracy dropped to 44.43 percent from over 90 percent in the early years of liberation.

Before liberation, education in Tibet was extremely backward. Serfs and slaves, who made up more than 95 percent of the population, were deprived of their right to education, and the proportion of school-age children attending schools was less than 2 percent.

After the peaceful liberation of Tibet, the party and people's government sharply increased the budget for education in Tibet. In particular, after the Third Plenary Session of the 11th CPC Central Committee, the budget for education rose sharply from 21.917 million yuan in 1979 to the present level of 145 million yuan. In addition, relevant departments of the State Council have allocated special funds for developing education in Tibet. For example, to improve the condition of education in Tibet, the State Council and the State Education Commission, respectively, have allocated special funds

of 40 and 10 million yuan to help the education departments in Tibet acquire vehicles for educational purposes and to build earth stations to link up with satellites.

To speed up the development of education in Tibet, the party and people's government also have taken important steps to expand the faculties of high schools and universities. In July 1956, the Ministry of Education issued the "Circular on the Transfer of Junior High School Teachers, Teacher-Training Instructors, and Education Administration Cadres To Support Tibet." In April 1974, the State Council approved and relayed the "Report on the Interior Supporting the Teaching Needs of Tibetan Colleges and High Schools." Since the mid-1950's, tens of thousands of teachers from the interior have responded to the party's call and have come to the Tibetan highland to dedicate their youth to the cause of education there. Between 1975 and 1986, Jiangsu, Shanghai, and other provinces and municipalities have sent to Tibet a total of 3,056 teachers in seven groups. Beginning in 1988, 120 graduates and postgraduates from teacher colleges in the interior have come to Tibet each year to support the cause of education there.

Some provinces and municipalities from the interior support Tibet by providing special and comprehensive training to its schools and prefectures. Zhejiang, Liaoning, Shandong, and Hubei are supporting four Tibetan teacher colleges by helping to train their faculty members. Eleven universities and colleges from the interior, including the Nanjing Teachers University, are providing special training to support three Tibetan universities. In addition to helping the three universities train their faculty members, they are also helping them to train administrative personnel and to build laboratories. Seven provinces and municipalities, including Zhejiang and Tianjin, are supporting the seven prefectures and cities in Tibet by helping them to train a large number of high school teachers and administrative personnel.

North Region

Xing Chongzhi Discusses Vocational Education

SK0603095691 Shijiazhuang Hebei Provincial
Service in Mandarin 2300 GMT 11 Feb 91

[Text] On 10 February, Xing Chongzhi, secretary of the provincial party committee, held a discussion with the secretaries of some county and city party committees on the development of vocational and technical education. He pointed out: Vocational and technical education is an important project designed to improve the quality of the entire nation. In economic development, we should rely on laborers who master scientific and technical know-how, and particularly on the great number of primary and middle-level technical personnel. Based on the requirements of economic development, we should proceed from reality in working out realistic plans for education; overall plans for the economy, science, and education; and overall plans for elementary education, technical evening school education, and adult education.

Xing Chongzhi said: We should adopt various measures that suit specific local conditions to develop vocational and technical schools and to solve their problems regarding availability of teachers and the appointment systems.

Li Feng, adviser to the provincial government, was present at the discussion.

Hebei Holds Discipline Inspection Plenary Session

SK0503065491 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 3 Feb 91

[Text] After its members attending the second plenary session of the fourth provincial party committee as observers, the provincial Discipline Inspection Commission held its second plenary session of the third provincial Discipline Inspection Commission on 2-3 February. Liu Shanxiang, member of the Standing Committee of the provincial party committee and secretary of the provincial Discipline Inspection Commission delivered a work report at the session.

The plenary session supported the proposals of the Hebei Provincial CPC Committee on the 10-year program for national economic and social development and on the major points of the Eighth Five-Year Plan which were discussed and adopted at the second plenary session of the fourth provincial party committee and the 1991 major points of work of the Hebei Provincial CPC Committee. They expressed that they would guarantee the implementation of the guidelines of the second plenary session of the fourth provincial party committee with concrete deeds.

The plenary session participants held that successfully implementing the guidelines of the seventh plenary session of the 13th party Central Committee and of the second plenary session of the fourth provincial party committee and concentrating efforts on pushing the economy forward are the central tasks of the whole party. The building of party style and administrative honesty should be carried out in close connection with these central tasks. We should fight corruption and carry out discipline strictly, create a good environment for reform, opening up, and economic construction and better serve the realization of the second-step fighting objectives on socialist modernization construction.

The plenary session worked out this year's major tasks for building party style and administrative honesty:

1. Continue to consider checking unhealthy trends in various trades and all kinds of evil practices as a task of prime importance, consolidate and expand the achievements of responsible departments below the county level of various trades and grass-roots institutions and stations in their concentrated study and consolidation, conscientiously solve the problems discovered, investigate and handle the exposed cases, specifically strengthen the building of systems, and continue to make special efforts to improve major enterprises and handle

major problems. We should conduct education on ideology and work style among party and government leading organs at all levels and consolidate them in a planned and well-guided manner. Further efforts should be made to sort out and check the unhealthy trends among cadres and workers who build private houses in violation of law and discipline, occupy public houses above set standards, and use public funds to refurbish their houses at a high standard.

2. Strictly observe laws and discipline, continue to conscientiously investigate and handle law and discipline violation cases. The investigation work should be focused on cases concerning the abuse of one's powers to seek personal gains, the practice of serious bureaucracy, and violation of political discipline and discipline related to personnel affairs. Special efforts should be made to concentrate efforts on investigating and handling party-member cadres' law and discipline violation cases in the economic sphere, such as those who engage in corruption, bribe-taking, racketeering, and dealing power for money.

3. Continue to deepen education on party style and party discipline. We should grasp education on specific laws and regulations inside the party as we did in grasping education on popularizing laws, make all party members know and firmly bear in mind the specific laws and regulations formulated by the central Discipline Inspection Commission, and adopt various forms to successfully conduct education on the party's ideal, purpose, basic knowledge, and fine traditions.

4. Further strengthen the building the discipline inspection ranks and exert special efforts to strengthen grass-roots discipline inspection work.

Hebei Reports Low 1990 Industrial Efficiency

SK0603095591 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 10 Feb 91

[Text] The eight major economic figures of the province recently released by the provincial Statistical Bureau showed that in 1990 consumer demands picked up gradually and the economic operation became more vigorous, but the low economic efficiency in industrial production needed to be resolved urgently.

In 1990, the investment made by all the state units of the province in capital construction, and the projects involving renewal of equipment and other technical transformation measures, totaled 10.3 billion yuan, an increase of 6.3 percent over the preceding year. Investment was focused on energy, raw material, transportation, post and telecommunications, and other basic industries. By the end of 1990, the balance of the various types of loans issued by all the banks of the province totaled 63.1 billion yuan, an increase of 20 percent over the preceding year, which was the largest annual increase in history. The loans were used mainly to support the

pick-up of industrial production, to ensure the availability of funds for purchasing farm and sideline products, and to invest in the increase of fixed assets. Total wages of staff members and workers rose steadily. The annual amount registered a growth rate of 11.3 percent over the preceding year.

Despite the downturn in production and efficiency, as well as the weak sales in early 1990, our province was able to pick up its production gradually and achieve improvement in marketing thanks to its active efforts to promote production and sales, develop new products, and adjust the product mix. The amount of funds tied up in overstocked products and manufactured goods dropped every month, the per-capita productivity of industrial production showed an increase, and the upturn in the cost of comparable products eased. In general, however, the economic efficiency in industrial production remained low. The ratio of profits and taxes in the sales of industrial goods and in industrial funds were lower than last year's.

Shanxi CPC Committee Elects New Secretary

OW0503140891 Beijing XINHUA Domestic Service in Chinese 1201 GMT 5 Mar 91

[Text] Taiyuan, 5 Mar (XINHUA)—At the First Plenary Session of the Sixth Shanxi Provincial CPC Congress today, Wang Maolin [formerly deputy secretary of the Shanxi Provincial CPC Committee] was elected secretary of the provincial party committee; Wang Senhao and Lu Gongxun were elected deputy secretaries of the provincial party committee; Li Ligong [formerly secretary of the Shanxi Provincial CPC Committee] was elected chairman of the Advisory Commission of the Shanxi Provincial CPC Committee; and Feng Zhimao was elected secretary of Discipline Inspection Commission of the Shanxi Provincial CPC Committee.

Northeast Region

Heilongjiang CPPCC Session Opens 4 March

SK0503025491 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 4 Mar 91

[Excerpts] The fourth session of the sixth provincial committee of the Chinese People's Political Consultative Conference [CPPCC] opened ceremoniously.

This afternoon, the theater in the Harbin Youyi Palace was filled with a united, friendly, and warm atmosphere. Ten bright-colored red flags and green pine and cypress trees were placed on the rostrum to match the CPPCC emblem. Fresh flowers in full bloom were placed in front of the rostrum to greet the CPPCC members from all over the province and personnel attending as nonvoting delegates, a total of more than 700 persons.

At 1430, Wang Zhao, chairman of the provincial CPPCC Committee, declared the session open. [passage omitted]

Attending the opening ceremony were Sun Weiben, Shao Qihui, Zhou Wenhua, Wang Haiyan, Zhang Xiangling, He Shoulun, Tang Zuohou, (Wu Yitian), and (Luan Jinxiang); Li Jianbai, member of the National People's Congress Standing Committee; Zhao Dezun, Chen Jianfei, and Wang Luming, veteran comrades; and Wang Mingguai, Zhang Ruilin, Bao Cong, Yang Zirong, Wang Weizhi, and (Zhang Ping), retired comrades of the CPPCC. Members of the National CPPCC Committee who were living in our province also attended as nonvoting delegates. [passage omitted]

This session will discuss the report on the work of the Standing Committee carried out since the third session of the sixth provincial CPPCC Committee, and the report on the work related to motions, and decide on the major work tasks of the provincial CPPCC Committee for 1991. CPPCC members attending this session will also attend the fourth session of the Seventh Heilongjiang Provincial People's Congress as nonvoting delegates to discuss the government work report.

This session will also elect additional vice chairmen and Standing Committee members of the provincial CPPCC Committee, and adopt various resolutions. [passage omitted]

At the opening ceremony, on behalf of the Standing Committee, Fu Shiyong, vice chairman of the provincial CPPCC Committee, gave a report on the work of the Standing Committee of the sixth provincial CPPCC Committee carried out since its third session. On behalf of the Motions Committee, Li Min, vice chairman of the provincial CPPCC Committee, gave a report on the work related to the motions handled since the third session of the sixth provincial CPPCC Committee.

Heilongjiang Congress Preparatory Meeting Held

SK0603025691 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 5 Mar 91

[Text] A preparatory meeting for the fourth session of the seventh Heilongjiang Provincial People's Congress opened in the Beifang Building on the morning of 5 March.

Seated on the meeting's rostrum were Sun Weiben, chairman of the provincial People's Congress; and Wang Jun, He Shoulun, Chen Liemin, Zhang Ruoxian, Wang Yusheng, An Zhendong, Qi Guiyuan, Ji Hua, Zhao Qingjing, and Du Dianwu, vice chairmen of the provincial People's Congress.

Sun Weiben presided over the preparatory meeting and delivered a speech in which he stated that the actual number of deputies is 634 and that the number of deputies who have checked in at the session is 556 and is also a quorum for the convocation of sessions. Sun Weiben stated in his speech that at the 19th meeting of the provincial People's Congress Standing Committee, the participating members heard the report on the preparatory work for the fourth session of the seventh provincial People's Congress and contended that the

preparatory work had been completed and the session can be convened as scheduled on 6 March.

During the preparatory meeting, the participating members elected the session's presidium and secretary general, and they discussed and approved the session's agenda.

In his speech, Sun Weiben stated that the guiding ideology and tasks of the session are to regard as a guide the spirit of the Seventh Plenum of the 13th CPC Central Committee and of the seventh session of the sixth provincial party committee to examine and summarize the 1990 work; to discuss and approve the 10-year program, the Eighth Five-Year Plan, and the working tasks for 1991; to mobilize people across the province to clearly discern the situation and to consolidate and develop the political situation of unity and stability; to concentrate their efforts on conducting economic work well; and to heighten the spirit, work hard, and pool the wisdom and efforts of everyone to deal with the prominent contradictions and crucial problems and to strive to fulfill the 1991 5 tasks in an overall way and successfully achieve the grand goals of the 10-year program and the Eighth Five-Year Plan.

Sun Weiben stated that from this year on, we will begin to enforce the 10-year program and the Eighth Five-Year Plan and therefore, the coming decade will have a vital bearing on the success or failure of the country's socialist cause and represent a crucial opportunity that can decide the future and fate of the country and the Chinese nation. Now, we are facing the greatest challenge and a favorable opportunity. In the coming 10 years, we will be totally able, qualified, and confident to make new contributions to the country as long as we unswervingly implement the line, principles, and policies of the CPC Central Committee; uphold the principle of regarding economic construction as a center; uphold the four cardinal principles and the programs of conducting reform and opening to the outside world; safeguard the sanctity of the Constitution; earnestly implement the spirit of the Seventh Plenum of the 13th CPC Central Committee; seize the opportunity; and organize or mobilize people across the province to work hard or make efforts for prosperity.

Agenda Approved

SK0603063691 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 5 Mar 91

[Text] Following is the agenda of the fourth session of the seventh Heilongjiang Provincial People's Congress, which was approved at the preparatory meeting for the fourth session of the seventh provincial People's Congress on 5 March 1991.

1. Participating deputies will hear and discuss the work report of the provincial people's government, discuss the province's 1991 draft plan for national economy and social development, and will make a relevant resolution.

2. Participating deputies will discuss the province's 10-year plan and the Eighth Five-Year Plan and make relevant resolutions.

3. Participating deputies will hear and discuss the reports on the implementation of 1990 budget and on the 1991 draft budget and make relevant resolutions.

4. Participating deputies will hear and discuss the work report of the provincial People's Congress Standing Committee and make a relevant resolution.

5. Participating deputies will hear and discuss the work report of the provincial Higher People's Court and make a relevant resolution.

6. Participating deputies will hear and discuss the work report of the provincial People's Procuratorate and make a relevant resolution.

7. Participating deputies will discuss the province's draft regulations on budget management.

8. Participating deputies will discuss the draft decision made by the seventh provincial People's Congress with regard to establishing the committee of urban construction and transportation.

9. Electoral matters.

10. Others.

Northwest Region

Gu Jinchu Presides Over CPC Standing Committee

HK0603030391 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 2 Mar 91

[Text] Yesterday [2 March] the provincial party committee called a Standing Committee meeting to listen to reports by the fact-finding groups jointly organized by the provincial party committee and government on their findings around the province and their suggestions [words indistinct].

From 20 to 27 February, nine joint fact-finding groups, headed by leading members of the provincial party committee and government and comprised of responsible members from departments concerned, found their way by different routes to factories, mines, and other enterprises in Dingxi, [words indistinct], Wuwei, Tianshui, and other prefectures, autonomous prefectures, and cities to investigate and study. They discovered the real political situation and economic and social developments in various localities by listening to reports, holding private talks, and paying visits.

The meeting was presided over by Comrade Gu Jinchu, secretary of the provincial party committee. Comrades Jia Zhijie, Lu Kejian, (Lu Yongji), (Li Ping), and others briefed the meeting on various topics.

The meeting heard that all localities had earnestly and promptly implemented the spirit of the Seventh Plenary Session of the 13th CPC Central Committee and the fifth

enlarged plenary session of the seventh provincial party committee. They had also worked out their own development formulas, featuring clear key objectives and [words indistinct], in line with actual conditions. The various localities enjoyed political, economic, and social stability, and the broad ranks of cadres and the masses had gotten up steam. The meeting participants also reported the problems they had discovered during the investigation and put forward sound proposals for solving them.

Comrade Gu Jinchu said: Your reports show that all localities throughout the province have done a fairly good job in implementing the spirit of the Seventh Plenary Session of the 13th CPC Central Committee and the fifth enlarged plenary session of the seventh provincial party committee. The situation is good as a whole. In the next step we should summarize and spread good experiences in implementing the spirit to deepen the drive. Special efforts should be made to integrate implementation of the spirit with actual conditions and provide wise guidance for the work to map out development plans [words indistinct]. It is necessary to tackle problems that exist in industrial and agricultural production.

Governor Jia Zhijie called on all localities to keep an effective grip on spring plowing and work in other areas.

Discusses Water Conservancy

*HK0603050791 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 3 Mar 91*

[Text] Water conservancy occupies an extremely important position in our provincial economic work. Water conservancy is not only the lifeblood of agriculture, but also has an important bearing on the entire national economy, the people's livelihood, and the fate of all types of construction undertakings. These remarks were made emphatically by provincial party committee Secretary Gu Jinchu at the provincial conference on ideological and political work for water conservancy departments yesterday morning [3 March].

According to a report filed by our station reporter, (Li Zhihao), on the basis of exchanging and summing up experiences, the provincial conference on ideological and political work of water conservancy departments commended and rewarded 16 advanced collectives, including (Jingdian) project headquarters, and 21 advanced workers, including (Miancheng) hydropower station director (Li Shaochang).

At yesterday's closing session, Gu Jinchu pointed out: In a province like Gansu, which suffers frequent drought conditions and lacks water, water conservancy work is of greater importance. He expressed the hope that the broad masses of cadres, staff, and workers on the water conservancy front would exert their utmost to gear ideological and political work to the needs of economic construction and successfully carry out water conservancy construction to promote provincial agricultural development.

Provincial Governor Jia Zhijie also spoke at yesterday's session.

Joins Learn-From-Lei Feng Activities

*HK0603031791 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 3 Mar 91*

[Excerpts] The fifth of March was the 28th anniversary of the publication of Comrade Mao Zedong's inscription: Learn from Lei Feng. Yesterday, half a million youths from local areas and military units took to the streets to carry out Dedication Day activities aimed at learning from Lei Feng and (Li Renhu) and devoting their youth to the Eighth-Five Year Plan.

Early in the morning in the provincial capital, Lanzhou, more than 130,000 Communist Youth League [CYL] members and youth from the Lanzhou Military Region, the Gansu Provincial Armed Police Corps, Lanzhou University, Lanzhou Railroad Bureau, the Lanzhou chemical industry company, the Lanzhou oil refinery, and many other units arrived at more than 40 activity spots in Lanzhou's central square, the Lanzhou railroad station, the western Lanzhou bus station, and Lanzhou's (Xibu) District to carry out such activities as propagating Lei Feng's deeds among the masses, repairing electrical appliances, and clearing up garbage. [passage omitted]

Leading comrades of the Lanzhou Military Region and of the provincial party, government, and military—including Gu Jinchu, Fu Quanyou, Jia Zhijie, Lu Kejian, Yan Haiwang, (Zhu Yongfeng), Wang Jintang, Yang Zhenjie, (Li Zilin), Li Wenhui, Mu Yongji, and others—arrived in high spirits at Lanzhou's central square, the Lanzhou railroad station, and other activity spots to join the CYL members and youths in carrying out their activities. They urged the CYL members and youths to carry out persistent, in-depth activities to learn from Lei Feng.

Yin Kesheng Urges Emulation of Jiao Yulu

*HK0603023991 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 2 Mar 91*

[Text] Provincial party Secretary Yin Kesheng called on cadres throughout the province to emulate and carry forward the spirit of Jiao Yulu.

After seeing a film entitled "Jiao Yulu," Comrade Yin Kesheng called on cadres at all levels throughout the province to see this film and carry out activities of emulating and carrying forward the spirit of Jiao Yulu in a down-to-earth way.

Yin Kesheng said: Jiao Yulu is a typical example of the outstanding party cadres who emerged in the 1960's; the spirit of Jiao Yulu once educated and encouraged a large number of cadres. Today, in a new historical period, it is of greater significance for us comrades working in Qinghai to emulate and carry forward the spirit of Jiao Yulu, for Qinghai has many similarities with Lankao County [where Jiao Yulu worked until his death] in those days, where natural conditions are relatively poor while the difficulty of work is high. Such being the case, it is more necessary for us to emulate the spirit of Jiao Yulu.

He stated: Emulating Jiao Yulu is to emulate his spirit of a willing ox serving children because he served the people wholeheartedly and kept the well-being of the masses in mind at all times; to emulate his dauntless revolutionary spirit because he dared to meet difficulties head-on and waged a struggle against harsh natural conditions; to emulate his fine style of going deep into the realities for thorough investigation and study, and of working in a down-to-earth manner; and to emulate his selfless spirit of dedication because he had only the people, not himself, at heart and he continued working despite his illness.

Yin Kesheng emphasized that it is necessary to translate the emulation and enhancement of the spirit of Jiao Yulu into action, meaning to take root in and dedicate ourselves to the Plateau [the Qinghai-Xizang Plateau], to carry out hard struggle, and to make due contributions to invigorating Qinghai and aiding people of all nationalities.

Qinghai Congress Official Arrested for Graft

OW0603092991 Beijing XINHUA in English
0844 GMT 6 Mar 91

[Text] Beijing, March 6 (XINHUA)—A senior legislator from northwest China's Qinghai Province was arrested recently for accepting more than 38,000 yuan worth of bribes, it was revealed here today.

Han Fucai, vice-chairman of the Standing Committee of the Qinghai Provincial People's Congress, was charged early last year with abusing powers for personal gains, according to public reports. The charge has been supported by facts uncovered during initial investigations.

According to Xiao Yang, deputy chief procurator of the Supreme People's Procuratorate, Han, aged 62, accepted bribes consisting of Chinese currency (renminbi), 800 U.S. dollars and precious jewelry.

Xiao told a news briefing that Han's arrest has been approved by the Standing Committee of the provincial People's Congress, adding that the case is pending further investigation.

China's relevant laws stipulate that a deputy to the People's Congress cannot be arrested without the permission of the Standing Committee of the People's Congress.

Xiao also told reporters that last year, procuratorates investigated more than 1,200 officials, or about one per thousand Chinese officials above the county level, suspected of having committed economic crimes.

Song Hanliang Discusses Supporting Agriculture

OW0603041291 Urumqi Xinjiang Television Network
in Mandarin 1650 GMT 2 Mar 91

[From the "Xinjiang News" program]

[Text] In Urumqi yesterday, the supply and marketing cooperative sector in Xinjiang held a rally to commend 100 advanced groups and 180 advanced individuals for their support of agriculture.

Wang Enmao, vice chairman of the CPPCC [Chinese People's Political Consultative Committee] National Advisory Committee and chairman of the autonomous regional Advisory Commission; Song Hanliang, Li Shoushan, Zhang Sixue, and other party and government leaders of the autonomous region attended the opening ceremony and cordially met with representatives of the advanced groups and individuals. [Video shows leaders presenting awards to recipients and posing for photographs with them]

In the past year, the 50,000 workers in the supply and marketing cooperative sector of the autonomous region have firmly adhered to the purpose of serving the people and thinking about agriculture, thereby enabling the rural economy to prosper. Using technology as guidance and in collaboration with all parties, they have developed and perfected the socialized service structure, and won the praise of peasants and herdsmen. They also have strongly spurred the rural market and expanded the supply of agricultural capital goods and daily necessities. The procurement and marketing of rural products has effectively promoted the development of agriculture on a large scale, and made positive contributions toward Xinjiang's efforts to reap a bumper harvest for the 13th successive year.

In his speech, Song Hanliang, secretary of the autonomous regional party committee, pointed out: At present, we must further enhance our understanding of agriculture's foundation status and resolutely treat agricultural development as the top priority in the economic development of Xinjiang. We must mobilize and enlist the forces of all trades, industries, and departments, and form them into a great combined effort for supporting agriculture. Undertakings in all trades and industries must truly serve and support agricultural development. We must try to create the best conditions and provide the best service for agricultural development. [Video shows Song Hanliang addressing rally]

Song Hanliang expressed the hope that comrades throughout Xinjiang, both those in the supply and marketing sector as well as those in other departments, will support and cooperate with each other to promote the experience of combining technology with materials by using technology as guidance and supply and marketing cooperatives as support, to contract out to business groups, and to provide services throughout the whole process. He also expressed the hope that they will exert their unified potential to promote the healthy development of Xinjiang's economy.

In conclusion, Song Hanliang called on leading party and government comrades at all levels in Xinjiang to pay close attention to work on goods circulation, as well as supply and marketing cooperatives. The supply and marketing cooperatives themselves also must organize

activities centered on Quality, Variety, and Efficiency Year, strengthen business management, and constantly improve their entrepreneurship.

People's Congress Standing Committee Ends Session

OW0503074791 Urumqi Xinjiang Television Network in Mandarin 1650 GMT 1 Mar 91

[From the "Xinjiang News" program]

[Text] The 19th Standing Committee Session of the Seventh Xinjiang Autonomous Regional People's Congress closed yesterday. Li Jiayu, vice chairman of the Standing Committee of the autonomous regional People's Congress presided over yesterday's meeting. By means of a vote, the meeting adopted the decision of the Standing Committee to convene the Fourth Session of the Seventh Xinjiang Autonomous Regional People's Congress in May of this year. [Video shows attendees listening to reports in conference room]

During the session, the members seriously examined the drafts for Xinjiang's 1991 economic and social development plan and its 1991 budget; discussed and examined the report by the autonomous regional people's government on implementing the second five-year program for conducting propaganda and education on the legal system, and the report by the election office of the Standing Committee on the election of deputies to a new term of county and township people's congresses in 1990. The session also examined and approved the Standing Committee's decision on implementing the second five-year program for conducting propaganda and education on the legal system, and approved the appointment and removal of personnel concerned. It appointed Comrade (Han Pengtu) and removed Comrade (Liu Lizhong) as secretary general of the autonomous regional people's government.

Sawdanov Zayir, Mahinur Kasim, Zhang Shaopeng, Ma Mingliang, Kurban Ali, Abdurhim Litip, Xu Peng, and Turbayim, vice chairmen of the Standing Committee of the autonomous regional People's Congress, attended the session. Hederbai, vice chairman of the autonomous regional people's government; Yibulayin Rouzi, vice chairman of the autonomous regional CPPCC committee; Kurban Rozi, president of the autonomous regional Higher People's Court; Mijiti Kurban, chief procurator of the autonomous regional People's Procuratorate; responsible persons of the standing committees of prefectural and city people's congresses; and representatives of People's Congress work committees from various localities attended the session as observers. Responsible persons of the Xinjiang branch of various democratic parties attended the session as visitors.

Tomur Dawamat Lists Tasks for Current Year

OW0603120391 Urumqi Xinjiang Television Network in Mandarin 1650 GMT 4 Mar 91

[From the "Xinjiang News" program]

[Text] The Xinjiang Uygur Autonomous Regional People's Government convened the 13th enlarged plenary session the day before yesterday [3 March]. Those attending the meeting included Tomur Dawamat, Li Jiayu, Hederbai, Tayier Maimaitili, and (Baitayi).

At the meeting, Chairman Tomur Dawamat spoke on the current issues to be addressed in developing the region's economy. He said: In 1990, economic work throughout the region scored remarkable achievements after overcoming various problems. The gross national product increased by 6.9 percent over the same period the previous year, and the total agricultural and industrial output value went up by 8.3 percent. The production of grain, cotton, and edible oil reached a record-high level; sales gradually rebounded; and the general retail price level advanced 4.1 percent, 12.6 percent lower than the rate of increase in the previous year.

He said: In 1991, we must firmly grasp and the following tasks and do them well: First, it is necessary to go all-out and promptly pay due attention to the spring production of agriculture and animal husbandry. Governments at all levels must realistically strengthen leadership, practically carry out the work according to the objective principle, and take timely measures to ensure a bumper harvest in various fields of production. Second, it is necessary to comprehensively and thoroughly launch various activities in connection with Quality, Variety, and Efficiency Year, and fulfill the various production tasks of the state-run enterprises. Third, it is necessary to strengthen the construction of key projects, improve investment results, and we must pay particular and due attention to construction projects, including the last stretch of railway in northern Xinjiang, the (Dashankuo) power station, the Manas power plant, the cement factory's No. 4 kiln, and the iron works. Fourth, it is necessary to carry out the work of finance and banking in a down-to-earth manner. We must, by every possible means, tap new financial resources to increase income, control expenditure, and tighten demand. Fifth, it is necessary to invigorate circulation, and make efforts to push and boost the sale of overstocked commodities and materials. Sixth, it is necessary to further accelerate the pace of opening to the outside world, and strive to fulfill the target of export earnings for the whole year. [Video opens with medium shots showing Tomur Dawamat and others seated at a long table facing audience, cuts to closeup of Tomur Dawamat speaking from a script]

Hong Kong

Economic Integration With Guangdong Proposed

HK0603011391 Hong Kong SOUTH CHINA
MORNING POST in English 6 Mar 91 pp 1, 10

[By Daniel Kwan]

[Text] Senior officials in Guangzhou have for the first time proposed that cooperation between Guangdong and Hong Kong and their economic integration be incorporated into the province's Five-Year Plan.

However, proponents of the virtual merger of the economies of Hong Kong and China's most reformist province have been accused of condoning "colonialism" and "selling out Guangdong".

Guangdong's Eighth Five-Year Plan (1991-95) will be endorsed at a plenary session of the provincial People's Congress which begins tomorrow.

Chinese sources said a key section of the plan would deal with the transformation of the Pearl River estuary region and Hong Kong into a "single economic entity".

"This means that economic decisions in Guangdong throughout the 1990s will take into account the participation of Hong Kong," a source said.

"While politically, sovereignty over Hong Kong does not revert to the mainland until 1997, economically, the integration will take place much earlier."

The Hong Kong section of the plan contains blueprints for cooperation in areas including infrastructure, pooling of financial resources, and the joint marketing of products overseas.

Promoters of radical integration with Hong Kong said at a time when Beijing was lavishing more attention and resources on Shanghai and Pudong, this was the only way for Guangdong to maintain its status as a national pacesetter.

Conservative ideologues and economists in Guangdong, however, have contended that "premature linkage" between the two places would lead to the "Hongkongisation" of the province.

They said integration would jeopardise the socialistic system of Guangdong, which would end up being "swallowed by the Hong Kong capitalists".

The sources said that debate in the past few months had become so bitter that the reformist Governor, Mr Ye Xuanping, had been unable to make a clear-cut ruling.

An economic source said to avoid having to take the blame, Mr Ye had recommended that the decision on "integration" as well as other aspects of Guangdong-Hong Kong relations in the run-up to 1997, be taken up by the ministerial-level Hong Kong and Macao Affairs Office of the State Council.

The source said that on the eve of the provincial congress, the final decision on whether the "Hong Kong Section" would be incorporated into the Five-Year Plan had still not been made.

Regardless of the outcome of the present round of debate, however, promoters of closer links with Hong Kong are holding a three-day seminar in Shenzhen next month to lobby for their cause.

Senior economist Mr Ji Chongwei, who advises party chief Mr Jiang Zemin, has been invited as the keynote speaker of the meeting.

Economists in the province said yesterday the Five-Year Plan contained both reformist and conservative elements.

Reforms will consist of the formation of a financial and real estate market as well as the setting up of a Western-style social security system.

Partly to forestall accusations that Guangdong has become rich at the expense of the hinterland, the plan will also provide for generous aid programmes to the province's poorer neighbours.

Hubei Governor Leads Visiting Economic Delegation

OW0603010091 Beijing XINHUA in English
0027 GMT 6 Mar 91

[Text] Hong Kong, March 6 (XINHUA)—Guo Shuyan, governor of Hubei Province in central China, said here Wednesday that his province will continue to develop the existing good relationship of cooperation with Hong Kong.

At a press conference, Guo, who arrived here Monday leading an economic delegation of the province, said that he met Hong Kong Governor David Wilson yesterday afternoon. He had briefed the latter Hubei's economic development and measures to implement the policy of opening to the outside world in the province.

He said he had also discussed with the governor matters relating to developing economic and trade relations between Hubei and Hong Kong. Both sides agreed to hold further discussions on such matters.

Guo said that the purpose of his visit is "to strengthen and develop the good relationship of cooperation between Hubei and Hong Kong."

In a week-long visit, he said his delegation will extensively meet people from the industrial, commercial and financial circles in Hong Kong and Macao and businessmen from Taiwan.

He welcomed more businessmen to invest in Hubei. Investors can select projects suitable for their investment in various fields such as development of tourism resources, communications, energy, telecommunications, commerce, machinery, automobiles, electronics, textiles, garment-making and light industry.

It is learnt that Hubei has already published more than 70 projects in local newspapers to seek cooperators. In the implementation of the policy of opening to the outside world, Hubei has established economic, technological and trade relations with 120 countries and regions.

Wang Zhen Meets Charitable Foundation Group

*OW0503192691 Beijing XINHUA Domestic Service
in Chinese 1501 GMT 3 Mar 91*

[By reporter Jiang Shunzhang (5592 7311 4545)]

[Text] Shenzhen, 3 Mar (XINHUA)—In Shenzhen on the afternoon of 3 March, Vice President Wang Zhen, president of the Award Foundation for Teachers of Middle and Primary Schools and Kindergartens, presented a donation certificate to Yu Pengnian, president of Hong Kong's Yu Philanthropic Foundation.

During a presentation ceremony, Yu Pengnian handed his HK\$1 million donation to Liu Bin, vice minister of the State Education Commission and vice president of the Award Foundation for Teachers of Middle and

Primary Schools and Kindergartens, who presented a souvenir to Yu Pengnian on behalf of the Foundation.

Vice President Wang Zhen expressed his gratitude and appreciation concerning Yu Pengnian's donation. Wang Zhen said: Mr. Yu is a patriotic compatriot in Hong Kong who cares about the motherland's educational undertakings. I hope that in times to come you will contribute more toward the four modernizations. It is our hope that foreign friends, overseas Chinese, Hong Kong and Macao compatriots, and every Chinese citizen will come forward and show their concern for education and play their parts in strengthening the 10-million-strong contingent of teachers in the middle and primary schools and kindergartens throughout China.

Handing over his donation, Yu Pengnian said that the small amount of his donation to the Award Foundation for Teachers of Middle and Primary Schools and Kindergartens is merely a fulfillment of a duty on his part to repay the motherland for his upbringing.

Among others who attended the donation ceremony were Shenzhen party committee Secretary Li Hao and Shenzhen Mayor Zheng Liangyu.

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15 March 1991

